

## **AGENDA**

### **NOTICE OF REGULAR MEETING**

**TIME:** 6 p.m.

**DATE:** Tuesday, December 19, 2023

**PLACE:** Regular Meeting Place  
7051 Dublin Boulevard, Dublin, CA  
www.dsrsd.com

**Our mission is to protect public health and the environment by providing reliable and sustainable water, recycled water, and wastewater services in a safe, efficient, and fiscally responsible manner.**

1. CALL TO ORDER
2. PLEDGE TO THE FLAG
3. ROLL CALL – Members: Goel, Govindarao, Halket, Johnson, Vonheeder-Leopold
4. SPECIAL ANNOUNCEMENTS/ACTIVITIES
5. PUBLIC COMMENT (MEETING OPEN TO THE PUBLIC)

At this time those in the audience are encouraged to address the Board on any item of interest that is within the subject matter jurisdiction of the Board and not already included on tonight’s agenda. Comments should not exceed five minutes. Speaker cards are available from the District Secretary and should be completed and returned to the Secretary prior to addressing the Board. The President of the Board will recognize each speaker, at which time the speaker should proceed to the lectern, introduce him/herself, and then proceed with his/her comment. Written comments received by 3 p.m. on the day of the meeting will be provided to the Board.
6. AGENDA MANAGEMENT (CONSIDER ORDER OF ITEMS)
7. CONSENT CALENDAR

Matters listed under this item are considered routine and will be enacted by one Motion, in the form listed below. There will be no separate discussion of these items unless requested by a Member of the Board or the public prior to the time the Board votes on the Motion to adopt.

  - 7.A. Approve Regular Meeting Minutes of December 5, 2023  
**Recommended Action:** Approve by Motion
  - 7.B. Approve Continuation of Emergency Action Procurement by General Manager for Repair of the LAVWMA Livermore Interceptor Pipeline and Find that the Need for the LAVWMA Livermore Interceptor Pipeline Emergency Still Exists  
**Recommended Action:** Approve by Motion
8. BOARD BUSINESS
  - 8.A. Approve Proclamation Honoring Retiring General Manager Daniel B. McIntyre  
**Recommended Action:** Approve by Motion

- 8.B. Discuss and Approve Board Committee and Joint Powers Authority Assignments for Calendar Year 2024  
**Recommended Action:** Discuss and Approve by Motion
- 8.C. Accept Annual Comprehensive Financial Report with Independent Auditor's Report for Fiscal Year Ended June 30, 2023, and Memorandum on Internal Control and Required Communications for Fiscal Year Ended June 30, 2023  
**Recommended Action:** Accept by Motion
- 8.D. Receive Presentation on Preliminary 2024 Water Rates  
**Recommended Action:** Receive Presentation and Provide Direction

9. REPORTS

9.A. Boardmember Items

- 9.A.1. Joint Powers Authority and Committee Reports  
DERWA Board Meeting of December 11, 2023
- 9.A.2. Submittal of Written Reports for Day of Service Events Attended by Directors
- 9.A.3. Request New Agenda Item(s) Be Placed on a Future Board or Committee Agenda

9.B. Staff Reports

10. ADJOURNMENT

*All materials made available or distributed in open session at Board or Board Committee meetings are public information and are available for inspection during business hours by calling the District Secretary at (925) 828-0515. A fee may be charged for copies. District facilities and meetings comply with the Americans with Disabilities Act. If special accommodations are needed, please contact the District Secretary as soon as possible, but at least two days prior to the meeting.*

**DUBLIN SAN RAMON SERVICES DISTRICT  
MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS**

**December 5, 2023**

1. CALL TO ORDER

A regular meeting of the Board of Directors was called to order at 6:01 p.m. by President Vonheeder-Leopold.

2. PLEDGE TO THE FLAG

3. ROLL CALL

Boardmembers present at start of meeting: President Georgan M. Vonheeder-Leopold, Vice President Ann Marie Johnson, Director Arun Goel, Director Dinesh Govindarao, and Director Richard M. Halket.

District staff present: Dan McIntyre, General Manager; Jan Lee, Assistant General Manager; Steve Delight, Engineering Services Director/District Engineer; Dan Gill, Operations Director; Michelle Gallardo, Special Assistant to the General Manager; Douglas E. Coty, General Counsel; and Nicole Genzale, Executive Services Supervisor/District Secretary.

General Counsel Coty stated that all Boardmembers attended two Board meetings this evening (a special DSRSD Financing Corporation meeting was held immediately before the regular Board meeting) and no Director will receive any compensation or stipend for participating in more than one meeting on this date.

4. BOARD REORGANIZATION

4.A. Select and Approve President and Vice President of the Board of Directors for 2024

President Vonheeder-Leopold reviewed the item for the Board.

Director Govindarao MOVED to Nominate and Approve the Selections of Vice President Johnson as President of the Board of Directors for 2024 and Director Goel as Vice President of the Board of Directors for 2024. Director Halket SECONDED the MOTION, which CARRIED with FIVE AYES.

Director Vonheeder-Leopold passed the gavel to President Johnson who then presided over the remainder of the meeting. President Johnson thanked Director Vonheeder-Leopold for her “above and beyond” service to DSRSD and others, and presented her with an engraved plaque on behalf of the Board and staff that read “With Sincerest Appreciation for Championing the District at CASA and your Devotion to Service as President of the Board of Directors in 2023.”

5. SPECIAL ANNOUNCEMENTS/ACTIVITIES – None

6. PUBLIC COMMENT (MEETING OPEN TO THE PUBLIC) – 6:08 p.m. No public comment was received.

7. AGENDA MANAGEMENT (CONSIDER ORDER OF ITEMS) – No changes were made.

8. CONSENT CALENDAR

Director Vonheeder-Leopold MOVED for approval of the items on the Consent Calendar.  
Director Govindarao SECONDED the MOTION, which CARRIED with FIVE AYES.

8.A. Approve Regular Meeting Minutes of November 7, 2023 – Approved

8.B. Approve Continuation of Emergency Action Procurement by General Manager for Repair of the LAVWMA Livermore Interceptor Pipeline and Find that the Need for the LAVWMA Livermore Interceptor Pipeline Emergency Still Exists – Approved

8.C. Approve Amendment to the Capital Improvement Program (CIP) Ten Year Plan and Two-Year Budget for Fiscal Years 2024 and 2025 to Increase the Large Diameter Sewer Condition Assessment Project (CIP 24-S020) Budget, and Authorize the General Manager to Award a Technical Services Agreement for the Large Diameter Sewer Condition Assessment Project (CIP 24-S020) to National Plant Services, Inc. – Approved – Resolution No. 46-23

8.D. Adopt Pay Schedule in Accordance with California Code of Regulations, Title 2, Section 570.5, Requirement for a Publicly Available Pay Schedule and Rescind Resolution No. 43-23 – Approved – Resolution No. 47-23

8.E. Approve the Joint Community Facilities Agreement among the Dublin San Ramon Services District, TH East Ranch Dublin LLC, and the City of Dublin for the East Ranch Development – Approved – Resolution No. 48-23

9. BOARD BUSINESS

9.A. Receive Presentation on the Emergency Intertie Maintenance Test with East Bay Municipal Utility District

Associate Engineer Sukhpreet Mann reviewed the item and gave a presentation (handed out to the Board) that was added to the website as supplementary materials. The Board and staff discussed various aspects of the presentation including the testing process timeline (five days) and the ramp-up time to activate an intertie in an emergency (approximately eight hours). Ms. Mann reported that the interties performed as expected and are emergency ready. Staff also explained that DSRSD and East Bay Municipal Utility District (EBMUD) have executed an agreement by which EBMUD is obligated to provide potable supply to meet DSRSD's basic customer needs should an emergency occur, and that the interties can function for any duration of such an emergency. The Board was pleased with the test outcome and thanked staff for the presentation.

9.B. Receive Report on Employee Professional and Leadership Training and Development Program

Special Assistant to the General Manager Gallardo reviewed the item and gave a presentation (handed out to the Board) that was added to the website as supplementary materials to further illustrate the five program elements:

- Required/Compliance Training
- Skills Training (Professional and Technical)
- Development & Activities
- Senior/Lead Training
- Supervisory/Management/Executive Development

The Board and staff discussed various aspects of the presentation. The Board complimented the new staff training hub and the development opportunities available to staff. The Board expressed interest in the measures reported for training accomplishments and internal promotions, and how the program might impact staff retention. Staff reported the program will be evaluated through ongoing user feedback and a formal assessment every two years. President Johnson suggested incorporating opportunities related to the City of San Ramon, such as Leadership San Ramon Valley, and including a listing of career-related conferences. The Board thanked staff for the presentation and directed staff to carry forward with the program as designed.

9.C. Receive Report on District Code Chapter 7.30, Facility Use Permits

Special Assistant to the General Manager Gallardo reviewed the item for the Board. The Board and staff discussed the historical use of District facilities, current facilities and staffing, and potential options and risks associated with future facility use. The Board agreed it would be prudent to align the District's facility use permitting with the recently updated District Participation in Charitable Events and Community Services Activities policy. The Board directed staff to implement Option #3 and add the requirement that applicants must provide insurance in order to use a facility.

Director Halket MOVED to Direct Staff to Implement Option #3 to Limit Use of District Building Facilities to only Governmental Entities and Organizations with whom the District Conducts Business, and Eliminate Use of District Building Facilities by Not-for-Profit Community Interest Groups for Community Interest Purposes (with exception of District Office lawn area, patio, and parking lot), and Align and Update District Code Chapter 7.30 to Conform with Board Policy, and Add the Requirement that Applicants Must Provide Necessary Insurance Coverage to Use a District Facility. Director Govindarao SECONDED the MOTION, which CARRIED with FOUR AYES and ONE NO (Vonheeder-Leopold).

9.D. Discuss Board Committee and Joint Powers Authority Assignments for Calendar Year 2024

Assistant General Manager Lee reviewed the item for the Board. The Boardmembers expressed satisfaction with the current committee structure and their individual assignments. President Johnson recommended assigning Director Govindarao as a primary representative to LAVWMA, to which the Boardmembers were amenable. She

stated she will prepare the proposed 2024 assignments for approval at the December 19 Board meeting.

## 10. REPORTS

### 10.A. Boardmember Items

#### 10.A.1. Joint Powers Authority and Committee Reports LAVWMA Board Meeting of November 15, 2023

President Johnson invited comments on recent JPA activities. Directors felt the available staff reports adequately covered the many matters considered at the JPA meetings and made a few comments about some of the JPA activities.

#### 10.A.2. Submittal of Written Reports for Day of Service Events Attended by Directors

Director Vonheeder-Leopold submitted reports to Executive Services Supervisor/District Secretary Genzale. She reported that she attended the Alameda County Special Districts Association chapter meeting at the Washington Township Health Care District in Fremont on November 8, and the virtual California Association of Sanitation Agencies Board of Directors meeting on November 29. She summarized the activities and discussions at the meetings.

Director Govindarao reported he enjoyed his tour of the District's Regional Wastewater Treatment Plant on November 10 and was accompanied by Assistant General Manager Lee and Operations Director Gill.

#### 10.A.3. Request New Agenda Item(s) Be Placed on a Future Board or Committee Agenda

Director Govindarao requested an item be scheduled for an upcoming meeting, prior to the next election cycle, regarding a review of the tie breaker procedure in the Election and Rotation of Board Officers policy.

### 10.B. Staff Reports

Assistant General Manager Lee reported that the next DERWA Board meeting will be held on Monday, December 11, at 6 p.m.

General Counsel Coty reported that the California Supreme Court has accepted a jurisdictional petition filed by the Governor and state legislators to remove from the November 2024 ballot the California Business Roundtable's measure (Initiative 35) which would restrict the ability of state and local governments to raise revenues for services. The Court will hold a hearing in February 2024. The Board adopted a resolution opposing the measure last October.

The Board agreed to take a brief recess from 7:45 p.m. to 7:50 p.m.

11. CLOSED SESSION

The Board went into Closed Session at 7:50 p.m.

11.A. Conference with Legal Counsel – Existing Litigation Pursuant to Government Code Section 54956.9(d)(1)

Name of Case: Aqueous Film-Forming Foams Products Liability Litigation (PFAS contamination claims and proposed settlement of City of Camden v. 3M Company and City of Camden v. E.I. DuPont de Nemours and Company federal cases)

11.B. Conference with Legal Counsel – Significant Exposure to Litigation Pursuant to Government Code Section 54956.9(d)(2): (one case)

12. REPORT FROM CLOSED SESSION

At 8:05 p.m. the Board came out of Closed Session. President Johnson announced that there was no reportable action.

13. ADJOURNMENT

President Johnson adjourned the meeting at 8:05 p.m.

Submitted by,

Nicole Genzale, CMC  
Executive Services Supervisor/District Secretary



**TITLE:** Approve Continuation of Emergency Action Procurement by General Manager for Repair of the LAVWMA Livermore Interceptor Pipeline and Find that the Need for the LAVWMA Livermore Interceptor Pipeline Emergency Still Exists

**RECOMMENDATION:**

Staff recommends the Board of Directors approve, by Motion, a continuation of the Emergency Action as declared in Board Resolution Nos. 22-23 and 36-23 and find that there exists a need for continuing the LAVWMA Livermore Interceptor Pipeline Emergency which the Board last confirmed on December 5, 2023.

**DISCUSSION:**

From late 2022 through March of 2023, a series of severe winter storms characterized as “atmospheric rivers” struck California bringing damaging winds and historic precipitation. On February 9, 2023, District staff discovered that these storms had left a portion of LAVWMA’s Livermore Interceptor Pipeline and its associated manhole exposed in the Arroyo Mocho Creek, and caused significant erosion in the nearby creek bed and banks.

The LAVWMA’s Livermore Interceptor Pipeline serves the sole benefit of the City of Livermore, and as such, all costs (100 percent) associated with the repair of the pipeline will be allocated to the City of Livermore. On September 5, 2023, the District’s Board of Directors approved Resolution No. 36-23, confirming the District State of Emergency declared by the General Manager on June 12, 2023, and authorizing emergency action procurement for the repair of the LAVWMA Livermore Interceptor Pipeline. Per Public Contract Code 22050, the Declaration of the District State of Emergency shall be reviewed by the Board of Directors at every regular meeting to determine, by a four-fifths vote, that there is a need to continue the emergency action.

To date, six task orders have been issued to Carollo Engineers and DPI, Inc. for engineering design services, construction services and construction management services totaling \$5,827,630.52 and a total of \$1,683,936.16 has been spent. Additional task orders, purchase orders, and/or other contracts are expected to be awarded in the near term for property acquisition.

Construction began October 3, 2023, has reached approximately 45% construction completion, and is anticipated to be completed in February 2024. In parallel with the construction effort, staff also continues to work with property owners on negotiating property rights for the new pipeline easements and pursuing funding assistance through the Federal Emergency Management Agency (FEMA) and the California Office of Emergency Services (CalOES).

To ensure the project can meet the aggressive project schedule, staff recommends the Board of Directors find the need to continue the State of Emergency declared by the General Manager on June 12, 2023. Expedited action, including construction services and construction management services, is necessary to mitigate any additional damage to the pipeline and avoid the potential discharge of treated wastewater effluent to the Arroyo Mocho Creek. A four-fifths vote is necessary to extend the emergency.

<b>Originating Department: Engineering and Technical Services</b>	<b>Contact: K. Castro/S. Delight</b>	<b>Legal Review: Not Required</b>
<b>Financial Review: Not Required</b>	<b>Cost and Funding Source: \$7,000,000 to be reimbursed by LAVWMA</b>	
<b>Attachments:</b> <input checked="" type="checkbox"/> None <input type="checkbox"/> Resolution <input type="checkbox"/> Ordinance <input type="checkbox"/> Task Order <input type="checkbox"/> Proclamation <input type="checkbox"/> Other (see list on right)	8 of 139	





**TITLE:** Approve Proclamation Honoring Retiring General Manager Daniel B. McIntyre

**RECOMMENDATION:**

The Assistant General Manager recommends the Board of Directors approve, by Motion, a Proclamation honoring Daniel B. McIntyre, retiring General Manager of Dublin San Ramon Services District.

**DISCUSSION:**

On December 23, 2023, General Manager Daniel B. McIntyre will be retiring from the Dublin San Ramon Services District (District). Mr. McIntyre has spent almost the entirety of his 35-year career working for public agencies within the Tri-Valley. In 2015, Mr. McIntyre was hired as the District’s Engineering Services Manager and District Engineer. He was promoted to General Manager in 2016, where he has served as the chief executive for the District for the past seven years.

As General Manager of DSRSD, Daniel B. McIntyre has provided unwavering dedication, visionary leadership, and a relentless commitment to continuous improvement. He has been a champion of sustainable business practices—incorporating long-term financial planning models into the District’s budget process, establishing professional training and career development programs, strengthening the District’s asset management program, and ensuring adequate staffing resources to accomplish the District’s mission and vision. He has promoted a culture of safety and collaboration within the District and been a tireless advocate for improving long-term water resiliency and expanding the use of recycled water through regional partnerships. Mr. McIntyre also led the District with a steady hand through unprecedented and challenging times, such as the District Office flood, global pandemic, and a multi-year drought.

Throughout his career and years at DSRSD, Mr. McIntyre has demonstrated his passion for public service. He has fostered strong and collaborative working relationships with the DSRSD Board of Directors, staff, and neighboring agencies, and will be fondly remembered by all who had the privilege of working with him.

<b>Originating Department:</b> Office of the General Manager	<b>Contact:</b> J. Lee	<b>Legal Review:</b> Not Required
<b>Financial Review:</b> Not Required	<b>Cost and Funding Source:</b> N/A	
<b>Attachments:</b> <input type="checkbox"/> None <input type="checkbox"/> Resolution <input type="checkbox"/> Ordinance <input type="checkbox"/> Task Order <input checked="" type="checkbox"/> Proclamation <input type="checkbox"/> Other (see list on right)		9 of 139



# Proclamation

Honoring

**Daniel B. McIntyre**

In Recognition of His Service to Dublin San Ramon Services District and to the Community

WHEREAS, on February 18, 2015, Daniel (“Dan”) B. McIntyre was hired as the District’s Engineering Services Manager and District Engineer to oversee and direct all activities of the Engineering Services Department, including the asset management, capital projects, and planning and permitting functions; and

WHEREAS, on April 6, 2016, the Board of Directors appointed Dan as the next DSRSD General Manager to oversee and direct all activities of the District; and

WHEREAS, Dan held the position of General Manager for more than seven years, provided unwavering dedication, visionary leadership, and a steadfast commitment to providing reliable and sustainable water, recycled water, and wastewater services in a safe, efficient, and fiscally responsible manner; and

WHEREAS, Dan adeptly managed the District’s finances and improved the District’s business practices by incorporating long-term financial planning models into the District’s budget process, implementing strategies to address the CalPERS unfunded actuarial liability, and utilizing information from the District’s asset management program to properly set aside funds to address future aging infrastructure needs; and

WHEREAS, under Dan’s direction, the District completed over \$80 million of capital improvement projects, including the construction of a fourth digester, expansion and renovation of the primary clarifiers, improvements to increase the capacity of the recycled water treatment facility, purchase and installation of standby and portable generators, rehabilitation of the Dublin Trunkline Sewer, and preparation of water and wastewater treatment plant master plans; and

WHEREAS, Dan has fostered a culture of collaboration and community engagement, partnering with agencies and building strong relationships and with colleagues, elected officials, and key stakeholders within the community to further the interests of the District; and

WHEREAS, Dan has been a tireless advocate for potable reuse and improving long-term water resiliency and was a major driver in the formation in the Tri-Valley Water Liaison Committee, which led to the completion of the Joint Tri-Valley Potable Reuse Technical Feasibility Study; and

WHEREAS, under Dan’s leadership, the District weathered a silver tsunami of retirements, responsibly increased staffing levels to address operational needs, established professional training and career development programs, and developed succession plans; and

WHEREAS, Dan oversaw the transition from 66-years of at-large to by-division Boardmember elections and launched the award-winning Citizens Water Academy to build public awareness of the District’s service and encourage community members to run for the Board; and

WHEREAS, Dan navigated the District through numerous emergencies during his tenure, such as the flooding of the District Office, the DERWA electrical emergency, PG&E public safety power shutoffs, the COVID-19 pandemic, and drought; and

WHEREAS, Dan relied not only on his talented staff, but also his Diet Coke, chocolate, and banana bread to get him through each day; and

NOW, THEREFORE, BE IT PROCLAIMED that the Board of Directors of Dublin San Ramon Services District, a public agency in the State of California, Counties of Alameda and Contra Costa, congratulates:

**Daniel B. McIntyre**

on his retirement and recognizes his more than eight years of outstanding leadership and dedicated service.

Adopted this 19th day of December, 2023

\_\_\_\_\_  
Ann Marie Johnson, President

\_\_\_\_\_  
Arun Goel, Vice President

\_\_\_\_\_  
Richard M. Halket, Director

\_\_\_\_\_  
Dinesh Govindarao, Director

\_\_\_\_\_  
Georgian M. Vonheeder-Leopold, Director

\_\_\_\_\_  
Nicole Genzale, District Secretary



**TITLE:** Discuss and Approve Board Committee and Joint Powers Authority Assignments for Calendar Year 2024

**RECOMMENDATION:**

Staff recommends the Board of Directors discuss and approve, by Motion, the Board President’s recommendation for the 2024 Board Committee structure, assignments, and mission statements, and Joint Powers Authority assignments.

**SUMMARY:**

Each year, the Board discusses the Board Committee structure and mission statements, and the Boardmember assignments, as primary or alternate members, to the various Board Committees and Joint Powers Authorities (JPA) in accordance with the process set forth in the Guidelines for Conducting District Business policy, provides input for the newly selected Board President, and considers the President’s proposal. On December 5, 2023, the Board held an initial discussion and decided to keep the structure and assignments the same except for assigning Director Govindarao as a primary member to the Livermore-Amador Valley Water Management Agency (LAVWMA).

The Board has two options: (1) approve the Board President’s recommended assignments, or (2) approve an alternate structure and assignments for 2024, for which an updated 2024 Committee/JPA Assignments and Mission Statements document will be completed by staff and deemed final.

**DISCUSSION:**

Liaison Committees enable the Board to receive information from other agencies and to convey the Board’s policy positions to those agencies, whereas Joint Powers Authorities are formal and permanent interagency partnerships governed by state law and interagency agreements. There are seven bodies on the proposed 2024 Committee/JPA Assignments and Mission Statements document (Attachment 1), same as in 2023:

- Five Liaison Committees:
  - Tri-Valley Water Liaison
  - Zone 7 Water Agency Liaison
  - City of Dublin Liaison
  - City of Pleasanton Liaison
  - City of San Ramon and Central Contra Costa Sanitary District (Central San) Liaison
- Two JPAs:
  - DSRSD-EBMUD Recycled Water Authority (DERWA)
  - Livermore-Amador Valley Water Management Agency (LAVWMA)

The Liaison Committees meet on dates coordinated with the other agencies. In 2023, four Liaison Committee meetings were held. Staff anticipates more meetings will be held in 2024.

The JPAs meet per the predesignated schedules determined by the JPAs. DERWA meetings are scheduled on the first Monday of February, fourth Monday of April and September, and the second Monday in December. LAVWMA meets quarterly on the third Wednesday of February, May, August, and November. In addition, JPAs hold special meetings as needed.

The Board is not limited to the existing Liaison Committees and can create new committees specific to a major topic of importance in accordance with Section 2(c) of the Guidelines for Conducting District Business policy:

<b>Originating Department: Office of the General Manager</b>	<b>Contact: J. Lee</b>	<b>Legal Review: Not Required</b>
<b>Financial Review: Not Required</b>	<b>Cost and Funding Source: \$195 per Boardmember per day of service from Administrative Cost Center (Fund 900)</b>	
<b>Attachments:</b> <input type="checkbox"/> None <input type="checkbox"/> Resolution <input type="checkbox"/> Ordinance <input type="checkbox"/> Task Order <input type="checkbox"/> Proclamation <input checked="" type="checkbox"/> Other (see list on right)	<b>Attachment 1 – Proposed 2024 Committee/JPA Assignments and Mission Statements</b> <b>Attachment 2 – Draft FPPC Form 806</b>	
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**Guidelines for Establishing Committees.** If so desired, the President will propose a set of standing Board Committees at the start of the term, as well as propose which Directors are to serve on each Committee, per this traditional process:

- At the meeting at which the President is elected, the President asks the Directors to provide input on which Committees they might be interested in serving.
- At the following meeting, the President proposes a set of standing Committees and membership (including alternates) for each Committee.
- The Board considers the President’s proposal by Motion.
- The Committee term traditionally begins January 1, or shortly thereafter, as feasible.

The Board President proposes only one change, to assign Director Govindarao as a primary member of LAVWMA. The two tables below show the current and proposed assignments:

**Table 1 – Current 2023 Assignments**

Name (ordered by Board officer rotation)	Tri-Valley	Zone 7	Dublin	Pleasanton	San Ramon/ Central San	DERWA	LAVWMA	Total M’s
President Johnson	A				M	M	M	3
Vice President Goel		M	M	A		A	M	3
Director Halket	M	M		M	A		A	3
Director Vonheeder-Leopold	M	A	M			M		3
Director Govindarao			A	M	M			2

M = Member A = Alternate

**Table 2 – Proposed 2024 Assignments**

Name (ordered by Board officer rotation)	Tri-Valley	Zone 7	Dublin	Pleasanton	San Ramon/ Central San	DERWA	LAVWMA	Total M’s
President Johnson	A				M	M		2
Vice President Goel		M	M	A		A	M	3
Director Halket	M	M		M	A		A	3
Director Vonheeder-Leopold	M	A	M			M		3
Director Govindarao			A	M	M		M	3

M = Member A = Alternate Blue shading = Updated fields

Attendance in a policy maker role at Committee and JPA meetings is eligible for Director compensation of \$195 per day of service, up to 10 days per month, under the Director Compensable Activities policy. In accordance with Regulation 18702.5 of the Fair Political Practices Commission (FPPC), the District must post on its website the FPPC Form 806 (Agency Report of Public Official Appointments) to report additional compensation that officials receive when appointment themselves to positions on committees, boards, or commissions of another public agency or to a committee or position of the agency of which the public official is a member. The form must be posted prior to a vote to appoint a Boardmember if the appointee will participate in the decision and the appointment results in additional compensation to the appointee. Attachment 2 is a draft Form 806 reflecting the proposed 2024 assignments in Table 1.

Staff will finalize and post the 2024 Committee/JPA Assignments and Mission Statements document and Form 806 according to the Board action at this meeting.

**PROPOSED 2024 COMMITTEE/JPA ASSIGNMENTS AND MISSION STATEMENTS****LIAISON COMMITTEES**

<b>TRI-VALLEY WATER LIAISON COMMITTEE</b>	
Members:	Halket, Vonheeder-Leopold
Alternate:	Johnson
Committee Mission:	The mission of the Tri-Valley Water Liaison Committee is to confer and coordinate multi-agency efforts and programs that focus on Tri-Valley water issues. The participating agencies are: DSRSD, Zone 7 Water Agency, California Water Services Company, and the cities of Dublin, Livermore, Pleasanton and San Ramon.
Type of Committee Meeting Schedule:	Liaison. Meetings are held quarterly when mutually agreed upon by the participating agencies. By joint consensus, the new target is to meet twice a year.

<b>CITY OF DUBLIN LIAISON COMMITTEE</b>	
Members:	Goel, Vonheeder-Leopold
Alternate:	Govindarao
Committee Mission:	The mission of the City of Dublin Liaison Committee is to confer and coordinate on programs that focus on the District's service to, relationship with, and communication with all of our customers in Dublin, including residents, businesses, schools (including Dublin Unified School District), and major institutional customers.
Type of Committee Meeting Schedule:	Liaison. Liaison to City of Dublin. Meetings are held when needed, on the afternoon of Board meeting dates when possible, or when mutually agreed upon by the participating agencies. By mutual agreement, the new target is to meet twice a year.

**CITY OF PLEASANTON LIAISON COMMITTEE**

Members:	Halket, Govindarao
Alternate:	Goel
Committee Mission:	The mission of the City of Pleasanton Liaison Committee is to confer and coordinate on programs that focus on the District's service to, relationship with, and communication with Pleasanton.
Type of Committee Meeting Schedule:	Liaison. Liaison to City of Pleasanton. Meetings are held when needed, on the afternoon of Board meeting dates when possible, or when mutually agreed upon by the participating agencies. By mutual agreement, the new target is to meet twice a year.

**CITY OF SAN RAMON LIAISON COMMITTEE  
CENTRAL CONTRA COSTA SANITARY DISTRICT LIAISON COMMITTEE**

Members:	Govindarao, Johnson
Alternate:	Halket
Committee Mission:	The mission of the City of San Ramon Liaison Committee and the Central Contra Costa Sanitary District Liaison Committee is to confer and coordinate on programs that focus on the District's service to, relationship with, and communication with all of our customers in San Ramon, including residents, businesses, schools (including San Ramon Valley Unified School District), and major institutional customers.
Type of Committee Meeting Schedule:	Liaison. Liaison to City of San Ramon and Central Contra Costa Sanitary District. Meetings are held when needed, on the afternoon of Board meeting dates when possible, or when mutually agreed upon by the participating agencies. By mutual agreement the new target is to meet once a year.

**ZONE 7 WATER AGENCY LIAISON COMMITTEE**

Members:	Goel, Halket
Alternate:	Vonheeder-Leopold
Committee Mission:	The mission of the Zone 7 Water Agency (Zone 7) Liaison Committee is to confer and coordinate programs that focus on the District's service from, relationship with, and communication with Zone 7.
Type of Committee Meeting Schedule:	Liaison. Liaison to Zone 7 Water Agency. Meetings are held when needed, on the afternoon of Board meeting dates when possible, or when mutually agreed upon by the participating agencies.

## JOINT POWERS AUTHORITIES

DERWA JPA	
Members:	Johnson, Vonheeder-Leopold
Alternate:	Goel
JPA Mission:	The DSRSD-EBMUD Recycled Water Authority (DERWA) is a Joint Powers Authority that was formed in 1995 between DSRSD and EBMUD. DERWA's mission is to provide a safe, reliable, and consistent supply of recycled water, and to maximize the amount of recycled water delivered. The San Ramon Valley Recycled Water Program (SRVRWP) was created in 1995 and currently provides recycled water to customers in Dublin and San Ramon. Future phases will extend recycled water delivery to portions of Blackhawk and Danville.
Type of Body Meeting Schedule:	Legislative. Board meetings are held on the first Monday of February, fourth Monday of April and September, and second Monday of December.

LAVWMA JPA	
Members:	Goel, Govindarao
Alternate:	Halket
JPA Mission:	The Livermore-Amador Valley Water Management Agency (LAVWMA) is a Joint Powers Agency created in 1974 by the cities of Livermore and Pleasanton and the Dublin San Ramon Services District for the purpose of discharging their treated wastewater to San Francisco Bay. Operations began in September 1979 with expansions in 1983, 1987 and 2003 bringing it to its current maximum discharge capacity of 41.2 mgd. The wastewater is conveyed via a 16-mile pipeline from Pleasanton to San Leandro and enters the East Bay Dischargers Authority (EBDA) system for dechlorination and discharge through a deepwater outfall to the San Francisco Bay.
Type of Body Meeting Schedule:	Legislative. Board meetings are held quarterly on the third Wednesday of February, May, August, and November.

**Agency Report of:  
Public Official Appointments**

**A Public Document**

<b>1. Agency Name</b> Dublin San Ramon Services District			<b>California Form 806</b> For Official Use Only
Division, Department, or Region (If Applicable)			
Designated Agency Contact (Name, Title) Nicole Genzale, District Secretary			
Area Code/Phone Number 925-875-2203	E-mail genzale@dsrcsd.com	Page <u>1</u> of <u>3</u>	Date Posted: <u>12/20/23</u> <small>(Month, Day, Year)</small>

**2. Appointments**

Agency Boards and Commissions	Name of Appointed Person	Appt Date and Length of Term	Per Meeting/Annual Salary/Stipend
Tri-Valley Water Liaison Committee	▶ Name <u>Halket, Richard</u> <small>(Last, First)</small>  Alternate, if any <u>Johnson, Ann Marie</u> <small>(Last, First)</small>	▶ <u>12 / 19 / 23</u> <small>Appt Date</small>  <u>12 months</u> <small>Length of Term</small>	▶ Per Meeting: \$ <u>195</u>  ▶ Estimated Annual: <input checked="" type="checkbox"/> \$0-\$1,000 <input type="checkbox"/> \$2,001-\$3,000 <input type="checkbox"/> \$1,001-\$2,000 <input type="checkbox"/> Other
Tri-Valley Water Liaison Committee	▶ Name <u>Vonheeder-Leopold, Georgan</u> <small>(Last, First)</small>  Alternate, if any <u>Johnson, Ann Marie</u> <small>(Last, First)</small>	▶ <u>12 / 19 / 23</u> <small>Appt Date</small>  <u>12 months</u> <small>Length of Term</small>	▶ Per Meeting: \$ <u>195</u>  ▶ Estimated Annual: <input checked="" type="checkbox"/> \$0-\$1,000 <input type="checkbox"/> \$2,001-\$3,000 <input type="checkbox"/> \$1,001-\$2,000 <input type="checkbox"/> Other
City of Dublin Liaison Committee	▶ Name <u>Goel, Arun</u> <small>(Last, First)</small>  Alternate, if any <u>Govindarao, Dinesh</u> <small>(Last, First)</small>	▶ <u>12 / 19 / 23</u> <small>Appt Date</small>  <u>12 months</u> <small>Length of Term</small>	▶ Per Meeting: \$ <u>195</u>  ▶ Estimated Annual: <input checked="" type="checkbox"/> \$0-\$1,000 <input type="checkbox"/> \$2,001-\$3,000 <input type="checkbox"/> \$1,001-\$2,000 <input type="checkbox"/> Other
City of Dublin Liaison Committee	▶ Name <u>Vonheeder-Leopold, Georgan</u> <small>(Last, First)</small>  Alternate, if any <u>Govindarao, Dinesh</u> <small>(Last, First)</small>	▶ <u>12 / 19 / 23</u> <small>Appt Date</small>  <u>12 months</u> <small>Length of Term</small>	▶ Per Meeting: \$ <u>195</u>  ▶ Estimated Annual: <input checked="" type="checkbox"/> \$0-\$1,000 <input type="checkbox"/> \$2,001-\$3,000 <input type="checkbox"/> \$1,001-\$2,000 <input type="checkbox"/> Other

**3. Verification**

I have read and understand FPPC Regulation 18702.5. I have verified that the appointment and information identified above is true to the best of my information and belief.

Nicole Genzale	District Secretary / Executive Services Supervisor	12/20/23
<small>Signature of Agency Head or Designee</small>	<small>Print Name</small>	<small>Title</small>
		<small>(Month, Day, Year)</small>

Comment: \_\_\_\_\_



**Agency Report of:  
Public Official Appointments  
Continuation Sheet**

<b>1. Agency Name</b> Dublin San Ramon Services District	<b>Date Posted:</b> <u>12/20/23</u> <small>(Month, Day, Year)</small>
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**2. Appointments**

Agency Boards and Commissions	Name of Appointed Person	Appt Date and Length of Term	Per Meeting/Annual Salary/Stipend
City of Pleasanton Liaison Committee	▶ Name <u>Halket, Richard</u> <small>(Last, First)</small>  Alternate, if any <u>Goel, Arun</u> <small>(Last, First)</small>	▶ <u>12 / 19 / 23</u> <small>Appt Date</small>  ▶ <u>12 months</u> <small>Length of Term</small>	▶ Per Meeting: \$ <u>195</u>  ▶ Estimated Annual: <input checked="" type="checkbox"/> \$0-\$1,000 <input type="checkbox"/> \$2,001-\$3,000 <input type="checkbox"/> \$1,001-\$2,000 <input type="checkbox"/> <u>                    </u> Other
City of Pleasanton Liaison Committee	▶ Name <u>Govindarao, Dinesh</u> <small>(Last, First)</small>  Alternate, if any <u>Goel, Arun</u> <small>(Last, First)</small>	▶ <u>12 / 19 / 23</u> <small>Appt Date</small>  ▶ <u>12 months</u> <small>Length of Term</small>	▶ Per Meeting: \$ <u>195</u>  ▶ Estimated Annual: <input checked="" type="checkbox"/> \$0-\$1,000 <input type="checkbox"/> \$2,001-\$3,000 <input type="checkbox"/> \$1,001-\$2,000 <input type="checkbox"/> <u>                    </u> Other
City of San Ramon and Central Contra Costa Sanitary District Liaison Committees	▶ Name <u>Govindarao, Dinesh</u> <small>(Last, First)</small>  Alternate, if any <u>Halket, Richard</u> <small>(Last, First)</small>	▶ <u>12 / 19 / 23</u> <small>Appt Date</small>  ▶ <u>12 months</u> <small>Length of Term</small>	▶ Per Meeting: \$ <u>195</u>  ▶ Estimated Annual: <input checked="" type="checkbox"/> \$0-\$1,000 <input type="checkbox"/> \$2,001-\$3,000 <input type="checkbox"/> \$1,001-\$2,000 <input type="checkbox"/> <u>                    </u> Other
City of San Ramon and Central Contra Costa Sanitary District Liaison Committees	▶ Name <u>Johnson, Ann Marie</u> <small>(Last, First)</small>  Alternate, if any <u>Halket, Richard</u> <small>(Last, First)</small>	▶ <u>12 / 19 / 23</u> <small>Appt Date</small>  ▶ <u>12 months</u> <small>Length of Term</small>	▶ Per Meeting: \$ <u>195</u>  ▶ Estimated Annual: <input checked="" type="checkbox"/> \$0-\$1,000 <input type="checkbox"/> \$2,001-\$3,000 <input type="checkbox"/> \$1,001-\$2,000 <input type="checkbox"/> <u>                    </u> Other
Zone 7 Water Agency Liaison Committee	▶ Name <u>Goel, Arun</u> <small>(Last, First)</small>  Alternate, if any <u>Vonheeder-Leopold, Georgan</u> <small>(Last, First)</small>	▶ <u>12 / 19 / 23</u> <small>Appt Date</small>  ▶ <u>12 months</u> <small>Length of Term</small>	▶ Per Meeting: \$ <u>195</u>  ▶ Estimated Annual: <input checked="" type="checkbox"/> \$0-\$1,000 <input type="checkbox"/> \$2,001-\$3,000 <input type="checkbox"/> \$1,001-\$2,000 <input type="checkbox"/> <u>                    </u> Other
Zone 7 Water Agency Liaison Committee	▶ Name <u>Halket, Richard</u> <small>(Last, First)</small>  Alternate, if any <u>Vonheeder-Leopold, Georgan</u> <small>(Last, First)</small>	▶ <u>12 / 19 / 23</u> <small>Appt Date</small>  ▶ <u>12 months</u> <small>Length of Term</small>	▶ Per Meeting: \$ <u>195</u>  ▶ Estimated Annual: <input checked="" type="checkbox"/> \$0-\$1,000 <input type="checkbox"/> \$2,001-\$3,000 <input type="checkbox"/> \$1,001-\$2,000 <input type="checkbox"/> <u>                    </u> Other

**Agency Report of:  
Public Official Appointments  
Continuation Sheet**

**1. Agency Name**

Dublin San Ramon Services District

Date Posted: 12/20/23  
(Month, Day, Year)

**2. Appointments**

Agency Boards and Commissions	Name of Appointed Person	Appt Date and Length of Term	Per Meeting/Annual Salary/Stipend
DERWA (DSRSD-EBMUD Recycled Water Authority)	▶ Name <u>Johnson, Ann Marie</u> <i>(Last, First)</i>  Alternate, if any <u>Goel, Arun</u> <i>(Last, First)</i>	▶ <u>12 / 19 / 23</u> <i>Appt Date</i>  ▶ <u>12 months</u> <i>Length of Term</i>	▶ Per Meeting: \$ <u>195</u>  ▶ Estimated Annual: <input type="checkbox"/> \$0-\$1,000 <input type="checkbox"/> \$2,001-\$3,000 <input checked="" type="checkbox"/> \$1,001-\$2,000 <input type="checkbox"/> <u>                    </u> <i>Other</i>
DERWA (DSRSD-EBMUD Recycled Water Authority)	▶ Name <u>Vonheeder-Leopold, Georgean</u> <i>(Last, First)</i>  Alternate, if any <u>Goel, Arun</u> <i>(Last, First)</i>	▶ <u>12 / 19 / 23</u> <i>Appt Date</i>  ▶ <u>12 months</u> <i>Length of Term</i>	▶ Per Meeting: \$ <u>195</u>  ▶ Estimated Annual: <input type="checkbox"/> \$0-\$1,000 <input type="checkbox"/> \$2,001-\$3,000 <input checked="" type="checkbox"/> \$1,001-\$2,000 <input type="checkbox"/> <u>                    </u> <i>Other</i>
LAVWMA (Livermore-Amador Valley Water Management Agency)	▶ Name <u>Goel, Arun</u> <i>(Last, First)</i>  Alternate, if any <u>Halket, Richard</u> <i>(Last, First)</i>	▶ <u>12 / 19 / 23</u> <i>Appt Date</i>  ▶ <u>12 months</u> <i>Length of Term</i>	▶ Per Meeting: \$ <u>195</u>  ▶ Estimated Annual: <input type="checkbox"/> \$0-\$1,000 <input type="checkbox"/> \$2,001-\$3,000 <input checked="" type="checkbox"/> \$1,001-\$2,000 <input type="checkbox"/> <u>                    </u> <i>Other</i>
LAVWMA (Livermore-Amador Valley Water Management Agency)	▶ Name <u>Govindarao, Dinesh</u> <i>(Last, First)</i>  Alternate, if any <u>Halket, Richard</u> <i>(Last, First)</i>	▶ <u>12 / 19 / 23</u> <i>Appt Date</i>  ▶ <u>12 months</u> <i>Length of Term</i>	▶ Per Meeting: \$ <u>195</u>  ▶ Estimated Annual: <input type="checkbox"/> \$0-\$1,000 <input type="checkbox"/> \$2,001-\$3,000 <input checked="" type="checkbox"/> \$1,001-\$2,000 <input type="checkbox"/> <u>                    </u> <i>Other</i>
	▶ Name _____ <i>(Last, First)</i>  Alternate, if any _____ <i>(Last, First)</i>	▶ _____ <i>Appt Date</i>  ▶ _____ <i>Length of Term</i>	▶ Per Meeting: \$ _____  ▶ Estimated Annual: <input type="checkbox"/> \$0-\$1,000 <input type="checkbox"/> \$2,001-\$3,000 <input type="checkbox"/> \$1,001-\$2,000 <input type="checkbox"/> _____ <i>Other</i>
	▶ Name _____ <i>(Last, First)</i>  Alternate, if any _____ <i>(Last, First)</i>	▶ _____ <i>Appt Date</i>  ▶ _____ <i>Length of Term</i>	▶ Per Meeting: \$ _____  ▶ Estimated Annual: <input type="checkbox"/> \$0-\$1,000 <input type="checkbox"/> \$2,001-\$3,000 <input type="checkbox"/> \$1,001-\$2,000 <input type="checkbox"/> _____ <i>Other</i>



**TITLE:** Accept Annual Comprehensive Financial Report with Independent Auditor's Report for Fiscal Year Ended June 30, 2023, and Memorandum on Internal Control and Required Communications for Fiscal Year Ended June 30, 2023

**RECOMMENDATION:**

Staff recommends the Board of Directors accept, by Motion, the Dublin San Ramon Services District Annual Comprehensive Financial Report with Independent Auditor's Report for Fiscal Year Ended June 30, 2023, and the Memorandum on Internal Control and Required Communications for Fiscal Year Ended June 30, 2023.

**SUMMARY:**

State law requires that every community services district publish a complete set of audited financial statements within six months of the close of each fiscal year. The audited financial statements are incorporated into the District's Annual Comprehensive Financial Report (ACFR) to fulfill that requirement for the fiscal year ended (FYE) June 30, 2023. The District received a clean audit opinion for the fiscal year. The ACFR is also intended to meet the District's requirement for submission of the FYE 2023 fourth quarter financial report to the Board as required under the Community Services District Law, Government Code Section 61053(f).

**DISCUSSION:**

The District's contracted external auditor, Maze and Associates, recently completed its audit of the financial statements for FYE 2023. The audit was conducted in accordance with generally accepted auditing standards in the United States of America. Those standards require that the auditor plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements.

The audit concluded that: (1) the financial statements present fairly, in all material respects, the respective financial position of the business-type activities of the District as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows for the year; (2) the accounting is in conformity with generally accepted accounting principles in the United States of America; and (3) the internal controls and communications are adequate. The Independent Auditor's Report has been incorporated into the Financial Section of the ACFR.

Financial highlights for FYE 2023:

- The District's net position increased \$19.8 million or 3.7% to \$554.0 million due to investment performance, increased capital assets, and a weak pension and Other Post-Employment Benefit (OPEB) investment performance.
- Service charge revenues increased \$8.2 million or 14.5% to \$64.4 million due in part to rate increases and growth.
- Capacity reserve fees increased \$2.7 million or 15.1% to \$20.2 million due to higher development activity.
- Operating expenses (excluding depreciation) increased \$15.2 million or 24.6% to \$76.7 million due to rising pension expenses and capital expenditures.

The ACFR provides information on the District's operating and financial activities for the fiscal year and is comprised of three sections:

Originating Department: Administrative Services	Contact: C. Chen/C. Atwood	Legal Review: Not Required
Financial Review: Yes	Cost and Funding Source: N/A	
Attachments: <input type="checkbox"/> None <input type="checkbox"/> Resolution <input type="checkbox"/> Ordinance <input type="checkbox"/> Task Order <input type="checkbox"/> Proclamation <input checked="" type="checkbox"/> Other (see list on right)	Attachment 1 – Annual Comprehensive Financial Report for Fiscal Year Ended June 30, 2023 Attachment 2 – Memorandum on Internal Control and Required Communications for Fiscal Year Ended June 30, 2023	

- Introductory Section – Overview of the District, including a transmittal letter to the Board of Directors and customers, economic conditions and service area in the Tri-Valley, financial planning and policies, and organizational structure.
- Financial Section – Analysis of the District’s financial performance and incorporation of the Independent Auditor’s Report, including Statements of Net Position, Statements of Revenues, Expenses and Changes in Net Position, and Statements of Cash Flows for FYE 2023. The audited statements include management’s discussion and analysis, notes to the financial statements, and required supplementary information.
- Statistical Section – Historical demographic and statistical data regarding the District, which provides context for the information in the Financial Section and District’s overall financial health. In contrast to the Financial Section, data in the Statistical Section is not subject to an independent audit.

A Memorandum on Internal Control and Required Communications for FYE June 30, 2023 was also issued. The memorandum did not identify any deficiencies in internal control that are considered material weaknesses during the audit. Also noted, there were no transactions during the year for which there was a lack of authoritative guidance or consensus. All significant transactions were recognized in the financial statements in the proper period, and financial statement disclosures are neutral, consistent, and clear.

The District’s Annual Comprehensive Financial Report (ACFR) for FYE June 30, 2022 recently received the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association of the United States and Canada (GFOA), which is the 22nd consecutive year the District has received the award. The FYE 2023 ACFR was developed to meet the Certificate of Achievement Program’s requirements and will be submitted to the GFOA to determine its eligibility.



**Dublin San Ramon  
Services District**

*Water, wastewater, recycled water*



**ANNUAL COMPREHENSIVE  
FINANCIAL REPORT  
2023**

Fiscal Year Ended June 30

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# ANNUAL COMPREHENSIVE FINANCIAL REPORT 2023

Fiscal Year Ended June 30



**Dublin San Ramon  
Services District**

*Water, wastewater, recycled water*

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# INTRODUCTORY SECTION

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December 20, 2023

To the Board of Directors and Dublin San Ramon Services District customers:

State law requires that every general purpose local government publish a complete set of audited financial statements within six months of the close of each fiscal year. The Dublin San Ramon Services District publishes this report to fulfill that requirement for the fiscal year ended June 30, 2023.

The management of Dublin San Ramon Services District assumes full responsibility for the completeness and reliability of the information in these financial statements, based upon a comprehensive system of internal controls established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Maze & Associates has issued an unmodified (“clean”) opinion on the Dublin San Ramon Services District’s financial statements for the year ended June 30, 2023. The independent auditor’s report is located in the front of the financial section of this report

Management’s Discussion and Analysis (MD&A) immediately follows the independent auditor’s report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

In accordance with standards established by the Governmental Accounting Standards Board’s Statement No. 14, The Financial Reporting Entity, the District meets the definition of a stand-alone government. As of June 30, 2023, the District participates in two joint powers authorities (JPA): the Livermore-Amador Valley Water Management Agency (LAVWMA) and the Dublin San Ramon Services District-East Bay Municipal Utility District Recycled Water Authority (DERWA).

# DISTRICT OVERVIEW AND ECONOMIC CONDITIONS



Construction continues on the former Camp Parks site.

## OVERVIEW

The District was formed in 1953 as the Parks Community Service District. The name was changed to Valley Community Services District (VCSD) in the early 1960s. VCSD became the vehicle for delivering local services before city governments existed, including water and wastewater services, recreation and parks, garbage collection, and fire protection. The name of the District was changed again in 1977 to Dublin San Ramon Services District (DSRSD) to reflect its service areas. By 1988, the cities of Dublin and San Ramon had incorporated and assumed responsibility for many of the services originally provided by the District, which allowed DSRSD to focus on water and wastewater services. In 1999, the District began providing a third service, recycled water. DSRSD currently provides water, recycled water, and wastewater services to more than 196,000 residents in Dublin, southern San Ramon, the Dougherty Valley area of San Ramon, and Pleasanton.

DSRSD's service area lies within the Tri-Valley, which is part of the East Bay region of the San Francisco Bay Area. The service area includes all of the City of Dublin, which is located approximately 35 miles east of San Francisco and 5 miles north of San Jose. The service area also includes portions of the City of San Ramon, which is located to the north of Dublin. In addition, the District provides wastewater treatment services to the City of Pleasanton under the agreement with the city.

## ECONOMIC CONDITIONS

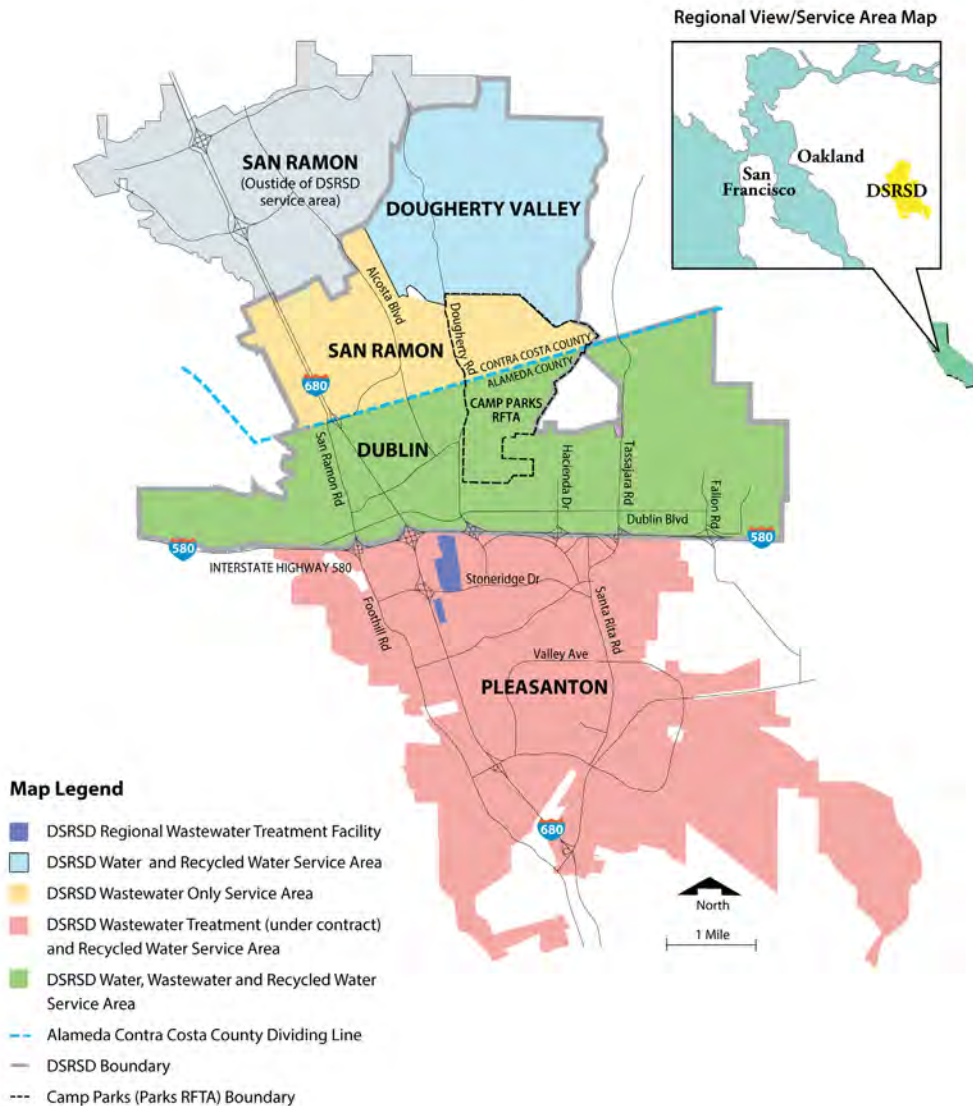
As of September 2023, the district's service area encompassing the cities of Dublin, Pleasanton, and South San Ramon had unemployment rates of 2.6%, 2.4%, and 2.6%, respectively. The greater East Bay Region (Alameda and Contra Costa County) had unemployment rates of 2.9% and 3.2%, respectively during the same period, placing them among the top performing counties in California. The state's unemployment rate was 3.8% at this time.

Personal income is on an upward trend in the East Bay, but this has been coupled with significant increases in cost of living. Food and energy are the main drivers of these increases at 10.0% and 25.9% over the prior year, respectively. Overall, inflation has increased by 6.0% in the last year. The East Bay's price increases are not unique to the area, so it still maintains a lower cost of living compared to San Francisco and Santa Clara County.

The housing market in the East Bay remains strong. Assessed property values in Alameda County saw an overall 4.5% increase over the prior year. The cities of Dublin and Pleasanton specifically saw 3.8% and 2.5% increases. Contra Costa county reported a 7.8% increase in assessed property values over prior year with City of San Ramon at 6.0%. As of October 2023, sales for existing single-family homes are down 15.1% in Alameda County and 16.0 % in Contra Costa County.

**SERVICE AREA**

The District’s service area lies within the Tri-Valley, which is part of the East Bay region of the San Francisco Bay Area. The City of Dublin, located approximately 35 miles east of San Francisco and 35 miles north of San Jose, comprises the largest part of the service area. The service area also includes two portions of the City of San Ramon: the original “Village”, which is located to the north of Dublin, and the newer Dougherty Valley, located northeast of Dublin. By contract, the District provides wastewater treatment services for the City of Pleasanton, located south of Dublin. Located within commuting distance of major employers throughout the Bay Area, the Tri-Valley offers many transportation options, including Interstates 580 and 680, Bay Area Rapid Transit (BART), Altamont Commuter Express (ACE), and Livermore Amador Valley Transit Authority (LAVTA).



# FINANCIAL PLANNING AND POLICIES

**District management is responsible for establishing and maintaining an internal control structure that protects the assets of the District from loss, theft, or misuse. The District uses the full accrual method for financial reporting and employs enterprise funds to account for its activities.**



An enterprise fund is used to account for governmental activities that are similar to activities performed by a commercial enterprise. However, the purpose of an enterprise fund is not to maximize return, as in the private sector, but to provide a product or service to the public at a reasonable cost. Funds are used to track operations for internal budgeting and reporting. Each department budgets its operations among the enterprise funds. The 10-year capital improvement program and the 2-year operating budget are approved by the Board of Directors. The general manager is authorized to approve budget transfers within a fund with certain limitations.

Recognizing the critical importance of financial planning and controls, the District has developed comprehensive financial policies based on industry best practices. The policies guide long-term planning and ensure that financial decisions are analyzed and applied in a consistent manner. The Board of Directors reviews and approves all financial policies.

District policies are available online at [www.dsrsd.com/about-us/district-policies](http://www.dsrsd.com/about-us/district-policies).

Finance policies include:

- Apportioning Planning Costs (P400-22-1)
- Auditor Selection and Services (P400-21-2)
- Budget Accountability (P400-22-2)
- Capital Financing and Debt Management (P400-17-3)
- Consolidated Water Enterprise Fund (P400-19-1)
- Debt Disclosure (P400-17-2)
- Financial Reserves (P400-15-1)
- Investment (P400-18-4)
- Project Cost Allocation (P400-17-5)
- Rate Policies and Guidelines (P400-16-1)
- Utility Billing Leak Adjustments (P400-17-4)
- Discontinuation of Residential Water Service for Nonpayment (P400-21-1)
- Water Expansion Fund Management (P400-14-1)



The District has a long-term approach to financial planning and utilizes a 10-year financial planning model to develop 2-year budgets, 10-year capital plans, and various rate studies. This long-term focus aligns with Finance objectives to manage public funds to provide financial stability, cost of service based rate management and development, and maintenance of a solid AA credit rating. Meeting these goals ensures timely and reasonable access to credit markets when needed.

**FISCAL YEAR ENDED 2023**

District policies are reviewed at least once every four years to ensure that the Board has the opportunity to be acquainted with all policies during their term of office. There were three policies updated in FYE 2023.

The Board adopts a 5-year Strategic Plan, and conducts rate and fee studies approximately every five years.



**STRATEGIC PLAN GOALS AND ACTION ITEMS— FY24 THROUGH FY28**

**Maintain our financial stability and sustainability**

- Monitor the District's finances to meet funding needs and maintain fair and reasonable water and wastewater rates, while striving to meet or exceed general inflation trends.
- Ensure financial sustainability through long-term financial planning, including 10-year modeling.
- Review and update the District's revenue policies.

**Meet or exceed regulatory requirements while preparing for the future regulatory landscape**

- Sustain a robust safety culture by continuously updating the District's environmental health and safety program.
- Develop and maintain a central regulatory tracking system.
- Collaborate with partner agencies to monitor pending regulatory requirements and explore potential compliance and mitigation strategies.
- Implement requirements to comply with standards adopted by the Environmental Laboratory Accreditation Program beginning January 1, 2024.

**Enhance our ability to respond to emergencies and maintain business continuity**

- Update and maintain documentation of emergency response and business continuity plans, including support documents for regional coordination and mutual assistance.
- Maintain inventory of emergency assets, equipment, and materials in stock.
- Integrate and strengthen program knowledge and competency of emergency response through ongoing training and Incident Command System (ICS) and Emergency Operations Center (EOC) exercises.
- Explore coordination of emergency planning with partner agencies and the city on-site.

**Maintain a high level of customer service and community relations**

- Educate and engage the community on the Tri-Valley water supply challenges and opportunities through collaboration of the Tri-Valley Water Reliability Public Information Program.
- Build public awareness of the District's priorities, initiatives, systems, and services.
- Leverage Tri-Valley and regional partnerships to maximize public outreach efforts.

**Improve the resiliency of the District's water supplies against future uncertainties**

- Work collaboratively with our Tri-Valley and regional partners in the development of a more diversified and resilient water supply.
- Pursue and implement water conservation strategies to reduce water demand, improve system reliability, and comply with state regulations.

**Facilitate long-term partnerships to provide efficient and cost-effective services**

- Build relationships and actively participate in local partnerships, regional groups, coalitions, and associations to advance systems goals.
- Review and update our Joint Powers Authority and other interagency agreements and contracts to address changing conditions and align with the District's Mission and Strategic Plan goals.

**Optimize the Asset Management Program to guide District Business Decisions**

- Standardize and implement District-wide procedures and plans for the Asset Management Program.
- Expand and maintain asset records including equipment data, criticality, maintenance history, asset condition, and performance.
- Use asset management data to maximize the life of assets and budget for long-term capital replacement needs.

**Improve energy efficiency and reliability for the District**

- Develop a District energy policy and District energy master plan that evaluates sustainable energy sources and opportunities for cost-effective energy conservation and efficiency.
- Include cost-effective energy conservation within the District's energy policy, business needs, and future regulations.

**Maintain a culture that attracts, retains, and engages a high performing workforce in support of the District's Mission and Values**

- Diversify and strengthen the skills of District employees to meet evolving workforce demands through participation in professional organizations and development programs.
- Implement a structured management and leadership program for employee career and professional growth.
- Promote a strong District workforce culture which encourages learning, teamwork, and acceptance of employee contributions and employee engagement.
- Develop a succession plan for key positions where feasible.
- Optimize District-wide operations by improving work best practices, procedures, and information systems to meet evolving needs.
- Invest in business process improvements to enhance communications and access to information.
- Integrate and enhance enterprise systems to more effectively share data across the District.
- Review and update our Information Technology and SCADA Master Plans.

For FYE 2024, the Board adopted the following items:

**June 2023**  
Local & Regional Wastewater Rate Study for FYE 2024-2028

**June 2023**  
Amended CIP Two-Year Budget for FYE 2024 and FYE 2025

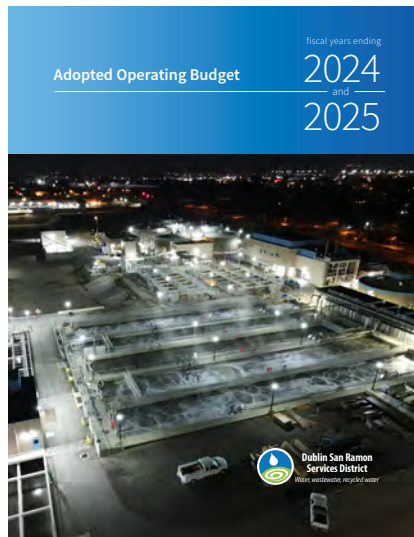
**June 2023**  
Amended CIP Ten-Year Plan for FYE 2024 - 2033

Rate and fee studies, operating and capital budgets, master and strategic plans may be found on the District website at [www.drsrd.com/about-us/library/financial-information](http://www.drsrd.com/about-us/library/financial-information).

For a detailed discussion and analysis of the District's operations during fiscal year ending June 30, 2023, please read the Management's Discussion and Analysis (MD&A) in the Financial Section of this report. Financial Trends, in the Statistical Section of this report, summarizes the historical fluctuations in revenues sources and operating expenses the District has experienced over the past 10 years.



**Capital Improvement Program**  
TEN YEAR PLAN— Fiscal Years 2024 through 2033  
TWO YEAR BUDGET— Fiscal Years 2024 and 2025



**Adopted Operating Budget**  
Fiscal years ending  
**2024**  
and  
**2025**

**The District's Strategic Plan, Two-Year Operating Budget and its Capital Improvement Program Ten-Year Plan and Two-Year Budget.**

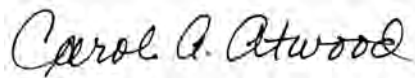
**AWARDS AND ACKNOWLEDGMENTS**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting to Dublin San Ramon Services District for its annual comprehensive financial report (ACFR) for the fiscal year ended June 30, 2022. This was the 22nd consecutive year the District has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principle and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only, we believe our current annual comprehensive financial report continues to meet the Certificate of Achievement Program’s requirements and we are submitting it to the GFOA to determine its eligibility for another certificate. The preparation of this report would not have been possible without the hard work and dedication of the Financial Services Division, especially Christine Chen, Rene Escobar, Sheree Davis, Candee Yang, Jesse Valdez, and Herman Chen. We also want to express our appreciation to the staff members throughout the District who assisted and contributed to the information presented in this report. Finally, we would like to acknowledge the support of the DSRSD Board of Directors for its dedication to serving customers well by maintaining strong financial standards.

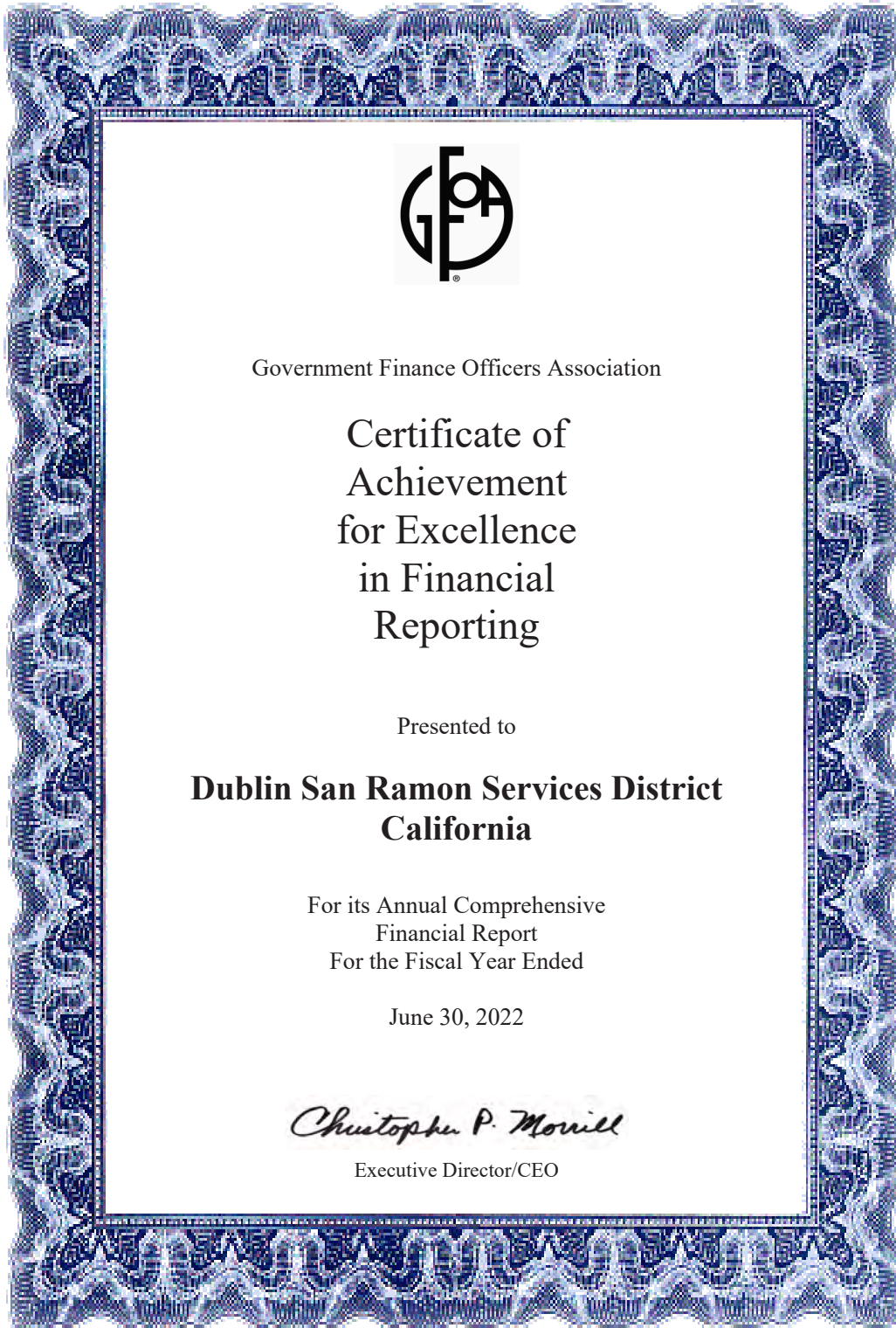
Respectfully submitted,



Daniel McIntyre  
General Manager



Carol Atwood  
Director/Treasurer



# BOARD OF DIRECTORS



**GEORGAN VONHEEDER-LEOPOLD**

**President (Division 4)**

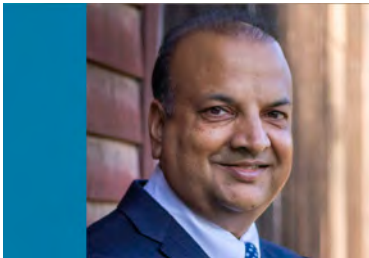
Board member since July 2009  
Term expires December 2026  
(Previously served 1992–2000)



**ANN MARIE JOHNSON**

**Vice President (Division 2)**

Board member since 2018  
Term expires December 2026



**ARUN GOEL**

**Director (Division 5)**

Board member since 2018  
Term expires December 2026



**DINESH GOVINDARAO**

**Director (Division 1)**

Board member since 2023  
Term expires December 2024



**RICHARD HALKET**

**Director (Division 3)**

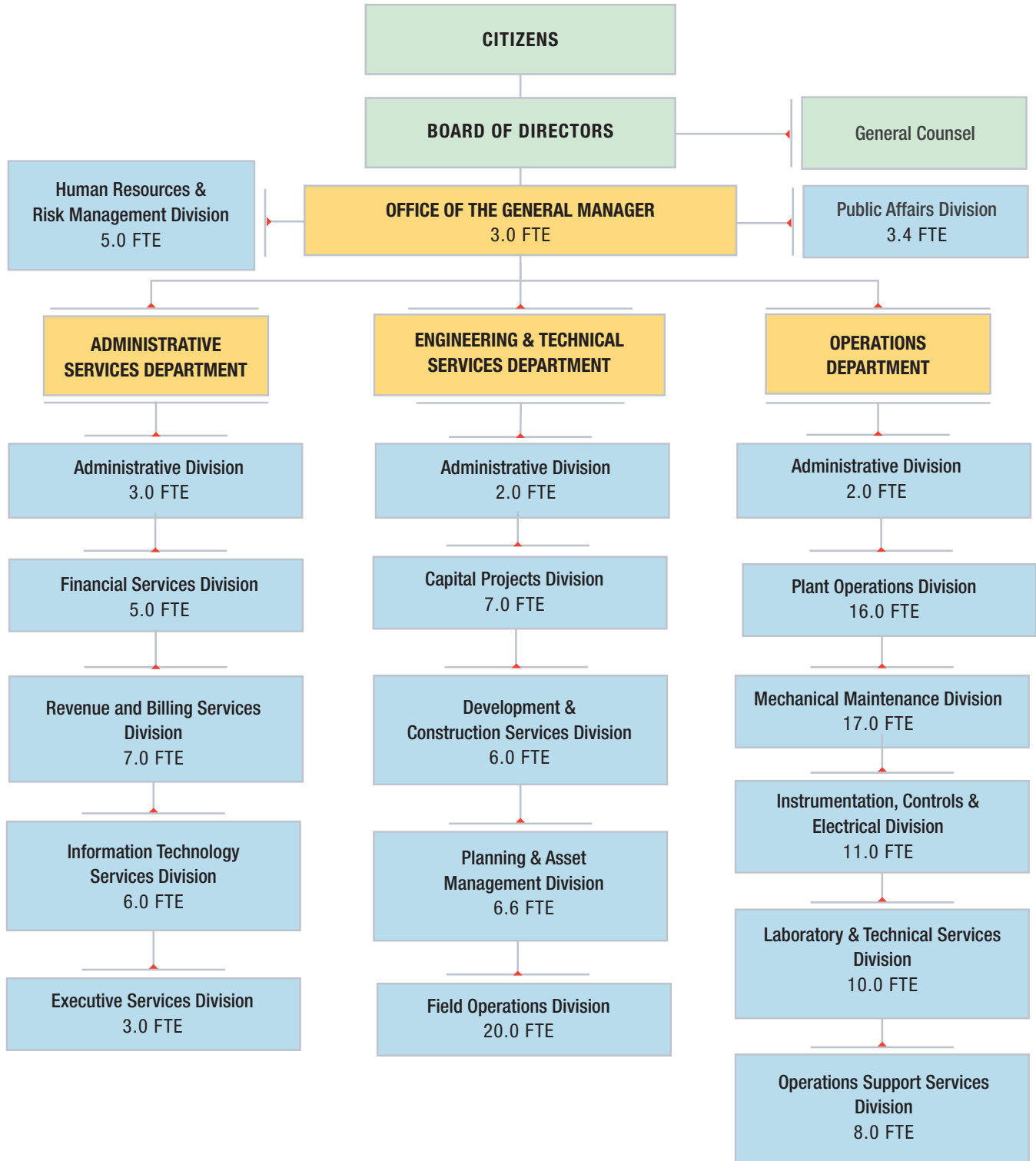
Board member since 2004  
Term expires December 2024

## SENIOR MANAGEMENT TEAM

**DANIEL MCINTYRE**.....General Manager  
**JAN LEE**.....Assistant General Manager  
**CAROL ATWOOD**.....Administrative Services Director  
**DAN GILL**.....Operations Director  
**STEVE DELIGHT**.....Engineering & Technical Services Director  
**MICHELLE GALLARDO**.....Special Assistant to the General Manager

# ORGANIZATION CHART

As of June 30, 2023



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# FINANCIAL SECTION

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Dublin San Ramon Services District  
Dublin, California

### *Opinions*

We have audited the accompanying financial statements of the business-type activities of the Dublin San Ramon Services District (District), Dublin, California, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the Table of Contents.

In our opinions, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the District as of June 30, 2023, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirement relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.



### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and other required supplementary information as listed in the Table of Contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District’s basic financial statements. The accompanying Supplementary Information, as listed in the Table of Contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplementary Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the Introductory Section and Statistical Section listed in the Table of Contents but does not include the basic financial statements and our auditor’s report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.



Pleasant Hill, California  
December 12, 2023

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DUBLIN SAN RAMON SERVICES DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS OF  
BASIC FINANCIAL STATEMENTS  
Fiscal Years Ended June 30, 2023 and 2022

Financial Highlights for Fiscal Year 2023

- ✓ The District's net position increased \$19.8 million or 3.7% from \$534.3 million to \$554 million
- ✓ Service charge revenues increased \$8.2 million or 14.5% from \$56.3 million to \$64.4 million
- ✓ Capacity reserve fees increased \$2.7 million or 15.1% from \$17.5 million to \$20.2 million
- ✓ Operating expenses (excluding depreciation) increased \$15.2 million or 24.6% from \$61.6 million to \$76.7 million

Overview of the Financial Statements

The discussion and analysis provided here are intended to serve as an introduction to the Dublin San Ramon Services District's basic financial statements. The District's basic financial statements consists of the Statements of Net Position, Statements of Revenues and Expenses and Changes in Fund Net Position, Statements of Cash Flows, and Notes to Financial Statements. The notes to the financial statements provide narrative explanations or additional data as needed for full disclosure.

- The Statements of Net Position presents financial information on all of the Districts assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.
- The Statements of Revenues and Expenses and Changes in Fund Net Position measures the success of District operations for the year and determines cost recovery through user fees and other charges, profitability, and credit worthiness.
- The Statements of Cash Flows provides information about District cash receipts and disbursements and net changes in cash that result from operating activities, non-capital financing activities, capital financing activities and investing activities. Thus, the Statements of Cash Flows shows sources and uses of cash.

The format of the District's financial statements is in accordance with business-type activities known as enterprise funds. Enterprise funds are self-supporting funds that charge fees to users to cover the costs of operation, maintenance, and recurring capital replacement, and are similar to the accounting methods used by private sector companies. Enterprise funds report on the accrual basis of accounting recognizing all assets, liabilities, revenues and expenses applicable as of the financial statement date.

The District is governed by a Board of Directors, which sets policy, adopts budgets and appoints a General Manager to direct operations. Currently, the District service area is comprised of five divisions with one Director representing each division and serving overlapping four-year terms.

Changes in Net Position

The following condensed statements, Statements of Net Position (Table 1) and Statements of Revenues and Expenses and Changes in Fund Net Position (Table 2), are presented in a comparative format together with dollar and percentage of change from the previous year, to help the reader analyze financial activity.

DUBLIN SAN RAMON SERVICES DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS OF  
BASIC FINANCIAL STATEMENTS  
Fiscal Years Ended June 30, 2023 and 2022

TABLE 1

Period ended June 30	Condensed Statements of Net Position						
	2023	2022	Change in 2023		2021	Change in 2022	
			\$	%		\$	%
			Change	Change		Change	Change
<b>Current and restricted assets</b>	\$ 250,532,287	\$ 242,746,894	\$ 7,785,393	3.2%	\$ 229,579,002	\$ 13,167,892	5.7%
Investment in JPA	54,085,969	52,786,028	1,299,941	2.5%	52,308,093	477,935	0.9%
Capital assets	302,580,002	299,230,577	3,349,425	1.1%	291,655,789	7,574,788	2.6%
Other assets	78,460	8,129,128	(8,050,668)	-99.0%	4,444,646	3,684,482	82.9%
<b>Total assets</b>	<b>607,276,718</b>	<b>602,892,627</b>	<b>4,384,091</b>	<b>0.7%</b>	<b>577,987,530</b>	<b>24,905,097</b>	<b>4.3%</b>
<b>Deferred outflow of resources</b>	<b>26,913,762</b>	<b>7,045,885</b>	<b>19,867,877</b>	<b>282.0%</b>	<b>10,288,601</b>	<b>(3,242,716)</b>	<b>-31.5%</b>
Current and restricted liabilities	16,329,094	21,307,153	(4,978,059)	-23.4%	17,798,489	3,508,664	19.7%
Long-term liabilities	52,886,203	34,731,605	18,154,598	52.3%	49,101,830	(14,370,225)	-29.3%
<b>Total liabilities</b>	<b>69,215,297</b>	<b>56,038,758</b>	<b>13,176,539</b>	<b>23.5%</b>	<b>66,900,319</b>	<b>(10,861,561)</b>	<b>-16.2%</b>
<b>Deferred inflow of resources</b>	<b>10,894,379</b>	<b>19,627,029</b>	<b>(8,732,650)</b>	<b>-44.5%</b>	<b>6,917,820</b>	<b>12,709,209</b>	<b>183.7%</b>
<b>Net Position</b>							
Net investment in capital assets	271,185,002	267,360,577	3,824,425	1.4%	259,330,789	8,029,788	3.1%
Restricted for expansion	157,572,449	149,174,040	8,398,409	5.6%	145,173,609	4,000,431	2.8%
Restricted for debt service	-	2	(2)	(1)	2	-	-
Restricted for assessment district	319,238	203,996	115,242	56.5%	423,586	(219,590)	-51.8%
Unrestricted	125,004,117	117,534,111	7,470,006	6.4%	109,530,006	8,004,105	7.3%
<b>Total net position</b>	<b>\$ 554,080,806</b>	<b>\$ 534,272,726</b>	<b>\$ 19,808,080</b>	<b>3.7%</b>	<b>\$ 514,457,992</b>	<b>\$ 19,814,734</b>	<b>3.9%</b>

For fiscal year ended June 30, 2023 (FYE 2023), total assets increased \$4.4 million or 0.7% compared to an increase of \$24.9 million or 4.3% in June 30, 2022 (FYE 2022). The increase is primarily due to investment performance and increased capital assets.

Total liabilities increased \$13.2 million or 23.5% in FYE 2023 compared to a decrease of \$10.9 million or 16.2% in FYE 2022. The decrease was due to weak pension and OPEB investment performance resulting in a net pension liability.

Changes to the deferred inflows/outflows of resources are related to the District's pension and other post-employment benefits (OPEB) plans with the California Public Employees' Retirement System (CalPERS), for additional information see Financial Statement Note #10 – Pension Plan and Note #11 – Post Employment Health Care Benefits.

As a result of the change in assets and liabilities above, the District's total net position increased \$19.8 million or 3.7% in FYE 2023 compared to an increase of \$19.8 million or 3.9% in FYE 2022.

DUBLIN SAN RAMON SERVICES DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS OF  
BASIC FINANCIAL STATEMENTS  
Fiscal Years Ended June 30, 2023 and 2022

TABLE 2

**Condensed Statements of Revenues and Expenses and Changes in Fund Net Position  
(In millions of dollars)**

Period ended June 30			Change in 2023		Change in 2022		
	2023	2022	\$	%	2021	\$	%
			Change	Change		Change	Change
Operating revenues	\$ 64,409,621	\$ 56,253,389	\$ 8,156,232	14.5%	\$ 63,603,757	\$ (7,350,368)	-11.6%
Other revenues	16,670,602	22,877,797	(6,207,195)	-27.1%	7,876,646	15,001,151	190.5%
Investment income	2,400,474	(8,604,613)	11,005,087	-127.9%	(663,326)	(7,941,287)	1197.2%
Capacity reserve fees	20,167,634	17,528,816	2,638,818	15.1%	8,748,665	8,780,151	100.4%
Contributions	3,096,300	3,828,960	(732,660)	-19.1%	2,802,000	1,026,960	36.7%
<b>Total revenues</b>	<b>106,744,631</b>	<b>91,884,349</b>	<b>14,860,282</b>	<b>16.2%</b>	<b>82,367,742</b>	<b>9,516,607</b>	<b>11.6%</b>
Operating expenses	76,727,033	61,567,386	15,159,647	24.6%	63,693,579	(2,126,193)	-3.3%
Depreciation	8,817,221	9,086,272	(269,051)	-3.0%	8,980,372	105,900	1.2%
Non-operating expenses	1,392,292	1,415,958	(23,666)	-1.7%	1,438,263	(22,305)	-1.6%
<b>Total expenses</b>	<b>86,936,546</b>	<b>72,069,616</b>	<b>14,866,930</b>	<b>20.6%</b>	<b>74,112,214</b>	<b>(2,042,598)</b>	<b>-2.8%</b>
<b>Changes in net position</b>	<b>19,808,085</b>	<b>19,814,733</b>	<b>(6,648)</b>	<b>0.0%</b>	<b>8,255,528</b>	<b>11,559,205</b>	<b>140.0%</b>
<b>Beginning net position</b>	<b>534,272,725</b>	<b>514,457,992</b>	<b>19,814,733</b>	<b>3.9%</b>	<b>468,346,724</b>	<b>46,111,268</b>	<b>9.8%</b>
Prior period adjustment	-	-	-		37,855,740	(37,855,740)	0.0%
Beginning net position, as restated	534,272,725	514,457,992	19,814,733	3.9%	506,202,464	8,255,528	1.6%
<b>Ending net position</b>	<b>\$ 554,080,806</b>	<b>\$ 534,272,725</b>	<b>\$ 19,808,085</b>	<b>3.7%</b>	<b>\$ 514,457,992</b>	<b>\$ 19,814,733</b>	<b>3.9%</b>

For FYE 2023, total revenues increased \$14.9 million or 16.2% compared to an increase of \$9.5 million or 11.6% in FYE 2022. The increase was primarily due to fair market adjustment of District investments and higher development activity.

Total expenses increased by \$14.9 million or 20.6% in FYE 2023 compared to a decrease of \$2.0 million or 2.8% in FYE 2022. The increase was primarily due rising pension expenses and capital expenditures.

Capital Assets and Debt

During FYE 2023, the District purchased, had contributed, or transferred from construction in progress the following assets:

Contributed sub-surface lines	\$3,108,900
Facility Improvement	95,913
Vehicles and equipment	761,487
	\$3,966,300

In FYE 2023, the District had 23,110 linear feet of potable water line, 3,380 linear feet of recycled water line, and 16,093 linear feet of sewer line contributed by developers valued at \$3.1 million. Facility improvements of \$95,913 is primarily due to costs related to replacement of pump station 20A vertical turbine. Vehicles and equipment of \$761,487 includes purchase of a CCTV, five vehicles, and various equipment. For additional information on capital assets see Financial Statement Note 4 – Capital Assets.

DUBLIN SAN RAMON SERVICES DISTRICT  
MANAGEMENT’S DISCUSSION AND ANALYSIS OF  
BASIC FINANCIAL STATEMENTS  
Fiscal Years Ended June 30, 2023 and 2022

In FYE 2023 the District had the following additions to construction in progress:

**Construction in Progress**

Water Lines Replacement - Wineberry Area	2,366,047
Wastewater system expansion and improvements	3,747,256
Water system expansion and improvements	2,642,710
	\$8,756,014

Wastewater system improvements include the Primary Sedimentation Expansion and East Dublin Trunk Sewer Rehabilitation projects. Water system expansion and improvements include Camp Parks Water Mains, Emergency Response, and Valve and Blow-Off Replacement projects.

On December 1, 2017, the District issued \$33,590,000 of 2017 Water Revenue Refunding Bonds with proceeds used to advance refund the outstanding portion of the 2011 Water Revenue Refunding Bonds. Below is a recap of the Districts current outstanding debt payable. For additional information on the District’s debt obligations, see Financial Statement Note 7 – Long-term debt.

Debt Payable	Balance at 6/30/2022	Additions	Principal Payments	Balance at 6/30/2023
2017 Water Revenue Refunding Bonds	\$31,870,000	-	\$475,000	\$31,395,000

**Rates and Other Economic Factors**

The District is not subject to variations in general economic conditions, such as increases or declines in property tax values or sales taxes. Accordingly, the District sets its rates to cover the costs of operations, maintenance, replacement (OM&R), and debt-financed capital improvements.

**Contacting the District**

This financial report is designed to provide our customers, investors and creditors with a general overview of the District’s finances and to show accountability for the money it receives. If you have questions about this report, or need any additional financial information, contact the Financial Services Division at 7051 Dublin Blvd., Dublin, California 94568 or call 925-828-0515.

**BASIC FINANCIAL STATEMENTS**



DUBLIN SAN RAMON SERVICES DISTRICT  
COMPARATIVE STATEMENTS OF NET POSITION  
JUNE 30, 2023  
WITH SUMMARIZED TOTALS AS OF JUNE 30, 2022

	2023			2022
	Wastewater	Water	Totals	
<b>ASSETS</b>				
<b>Current assets:</b>				
Pooled cash	\$8,706,204	\$7,383,655	\$16,089,859	\$13,000,340
Pooled investments	113,553,278	99,994,360	213,547,638	211,587,845
Restricted cash - debt service	-	855	855	2
Accounts receivable	9,663,399	10,832,886	20,496,285	15,360,990
Lease receivable	-	-	-	2,068,914
Interest receivable	187,612	172,842	360,454	664,644
Deferred capacity reserve fees receivable	29,696	-	29,696	31,269
Prepaid expenses	4,343	3,157	7,500	32,890
<b>Total current assets</b>	<b>132,144,532</b>	<b>118,387,755</b>	<b>250,532,287</b>	<b>242,746,894</b>
<b>Non-current assets:</b>				
DERWA & LAVWMA investments in JPA	15,116,087	38,969,882	54,085,969	52,786,028
<b>Capital assets:</b>				
Property, plant and equipment	240,902,591	181,001,583	421,904,174	417,760,510
Less accumulated depreciation	115,554,322	73,502,945	189,057,267	180,593,990
<b>Net property, plant and equipment</b>	<b>125,348,269</b>	<b>107,498,638</b>	<b>232,846,907</b>	<b>237,166,520</b>
Land and construction in progress	33,813,862	35,919,233	69,733,095	62,064,057
<b>Total capital assets</b>	<b>159,162,131</b>	<b>143,417,871</b>	<b>302,580,002</b>	<b>299,230,577</b>
<b>Other assets:</b>				
Net Pension asset	-	-	-	1,162,379
Net OPEB asset	42,657	31,004	73,661	6,932,254
Deferred capacity reserve fees receivable - long term	4,799	-	4,799	34,495
<b>Total other assets</b>	<b>47,456</b>	<b>31,004</b>	<b>78,460</b>	<b>8,129,128</b>
<b>Total non-current assets</b>	<b>174,325,674</b>	<b>182,418,757</b>	<b>356,744,431</b>	<b>360,145,733</b>
<b>Total assets</b>	<b>306,470,206</b>	<b>300,806,512</b>	<b>607,276,718</b>	<b>602,892,627</b>
<b>Deferred outflows of resources</b>				
Deferred outflows pension related amounts	11,636,607	8,161,112	19,797,719	3,182,057
Deferred employer pension contributions	1,749,821	1,242,908	2,992,729	2,605,109
Deferred outflows OPEB related amounts	2,042,223	1,484,323	3,526,546	1,258,719
Deferred employer OPEB contributions	345,588	251,180	596,768	-
<b>Total deferred outflows of resources</b>	<b>15,774,239</b>	<b>11,139,523</b>	<b>26,913,762</b>	<b>7,045,885</b>

DUBLIN SAN RAMON SERVICES DISTRICT  
COMPARATIVE STATEMENTS OF NET POSITION  
JUNE 30, 2023  
WITH SUMMARIZED TOTALS AS OF JUNE 30, 2022

	2023			2022
	Wastewater	Water	Totals	
<b>LIABILITIES</b>				
<b>Current liabilities:</b>				
Accounts payable	\$2,735,021	\$5,676,143	\$8,411,164	\$13,075,450
Contractor bonds and deposits	2,035,756	2,490,092	4,525,848	4,523,395
Accrued expenses	312,563	227,176	539,739	561,894
Accrued compensated absences	1,053,293	690,057	1,743,350	1,685,500
Interest payable	-	579,297	579,297	589,192
Current portion of long-term debt	-	500,000	500,000	475,000
Unearned revenue and other liabilities	29,696	-	29,696	396,722
<b>Total current liabilities</b>	<b>6,166,329</b>	<b>10,162,765</b>	<b>16,329,094</b>	<b>21,307,153</b>
<b>Long term liabilities:</b>				
Long-term debt				
less current portion	-	30,895,000	30,895,000	31,395,000
Net pension liability	12,227,935	7,253,875	19,481,810	-
DLD remediation reserve	2,147,196	-	2,147,196	2,145,663
Unearned revenue and other liabilities	4,799	357,398	362,197	1,190,942
<b>Total long term liabilities</b>	<b>14,379,930</b>	<b>38,506,273</b>	<b>52,886,203</b>	<b>34,731,605</b>
<b>Total liabilities</b>	<b>20,546,259</b>	<b>48,669,038</b>	<b>69,215,297</b>	<b>56,038,758</b>
<b>Deferred inflows of resources</b>				
Deferred inflows of resources - Pension	5,812,814	3,925,853	9,738,667	12,189,522
Deferred inflows of resources - OPEB	669,273	486,439	1,155,712	5,429,313
Deferred inflows of resources - Leases	-	-	-	2,008,194
<b>Total deferred inflows of resources</b>	<b>6,482,087</b>	<b>4,412,292</b>	<b>10,894,379</b>	<b>19,627,029</b>
<b>NET POSITION</b>				
Net investment in capital assets	159,162,131	112,022,871	271,185,002	267,360,577
Restricted for:				
Expansion	67,029,525	90,542,069	157,571,594	149,174,039
OPEB	42,657	31,004	73,661	6,932,254
Debt service	-	855	855	2
Assessment district	-	319,238	319,238	203,996
Pension	-	-	-	1,162,379
Unrestricted	68,981,786	55,948,668	124,930,454	109,439,478
<b>Total net position</b>	<b>\$295,216,099</b>	<b>\$258,864,705</b>	<b>\$554,080,804</b>	<b>\$534,272,725</b>

See accompanying notes to basic financial statements

DUBLIN SAN RAMON SERVICES DISTRICT  
 COMPARATIVE STATEMENTS OF REVENUES AND EXPENSES  
 AND CHANGES IN FUND NET POSITION  
 FOR THE YEAR ENDED JUNE 30, 2023  
 WITH SUMMARIZED TOTALS FOR THE YEAR ENDED JUNE 30, 2022

	2023			2022
	Wastewater	Water	Total	
<b>OPERATING REVENUES</b>				
Wastewater service charges	\$28,238,648	\$ -	\$28,238,648	\$27,795,077
Water sales	-	36,170,972	36,170,972	28,458,312
Other revenues	8,767,499	6,558,877	15,326,376	19,498,775
<b>Total operating revenues</b>	<b>37,006,147</b>	<b>42,729,849</b>	<b>79,735,996</b>	<b>75,752,164</b>
<b>OPERATING EXPENSES</b>				
Personnel	16,029,005	11,187,431	27,216,436	19,174,834
Materials	4,752,241	19,088,165	23,840,406	21,719,949
Contractual services	15,717,628	9,722,677	25,440,305	19,944,581
Other	59,288	170,600	229,888	728,021
Overhead charges	-	-	-	1
Depreciation	5,332,266	3,484,955	8,817,221	9,086,272
<b>Total operating expenses</b>	<b>41,890,428</b>	<b>43,653,828</b>	<b>85,544,256</b>	<b>70,653,658</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(4,884,281)</b>	<b>(923,979)</b>	<b>(5,808,260)</b>	<b>5,098,506</b>
<b>NONOPERATING REVENUES (EXPENSE)</b>				
Net (changes) in fair value of investments	1,229,668	1,170,801	2,400,469	(8,604,613)
Gain on sale of assets	25,106	19,180	44,286	53,120
Gain on investments in JPA	1,136,320	163,622	1,299,942	477,936
State grant	-	-	-	2,847,966
Interest expense	-	(1,392,292)	(1,392,292)	(1,415,958)
<b>Total non-operating revenues (expense), net</b>	<b>2,391,094</b>	<b>(38,689)</b>	<b>2,352,405</b>	<b>(6,641,549)</b>
<b>(LOSS) BEFORE CONTRIBUTIONS</b>	<b>(2,493,187)</b>	<b>(962,668)</b>	<b>(3,455,855)</b>	<b>(1,543,043)</b>
Non-cash contributions	1,240,900	1,855,400	3,096,300	3,828,960
Capital contributions - capacity reserve fees	11,883,525	8,284,109	20,167,634	17,528,816
Transfers in	4,910,736	7,356,471	12,267,207	9,761,251
Transfers (out)	(4,641,451)	(7,625,756)	(12,267,207)	(9,761,251)
Changes in net position	10,900,523	8,907,556	19,808,079	19,814,733
<b>TOTAL NET POSITION, BEGINNING OF YEAR</b>	<b>284,315,576</b>	<b>249,957,149</b>	<b>534,272,725</b>	<b>514,457,992</b>
<b>TOTAL NET POSITION, END OF YEAR</b>	<b>\$295,216,099</b>	<b>\$258,864,705</b>	<b>\$554,080,804</b>	<b>\$534,272,725</b>

See accompanying notes to basic financial statements

DUBLIN SAN RAMON SERVICES DISTRICT  
STATEMENTS OF CASH FLOWS  
PROPRIETARY FUNDS - ENTERPRISE  
FOR THE YEAR ENDED JUNE 30, 2023  
WITH SUMMARIZED TOTALS FOR THE YEAR ENDED JUNE 30, 2022

	2023			2022
	Wastewater	Water	Total	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers, users and joint powers authorities	\$32,675,751	\$39,489,958	\$72,165,709	\$74,921,807
Payments for services and supplies	(20,976,225)	(33,216,829)	(54,193,054)	(38,383,079)
Payments to or on behalf of employees	(14,926,565)	(10,775,802)	(25,702,367)	(20,438,652)
Net Cash Provided (Used) by Operating Activities	<u>(3,227,039)</u>	<u>(4,502,673)</u>	<u>(7,729,712)</u>	<u>16,100,076</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Principal paid on long-term debt	-	(475,000)	(475,000)	(455,000)
Interest paid on long-term debt	-	(1,402,187)	(1,402,187)	(1,425,438)
Proceeds from sale of capital assets	25,106	19,180	44,286	53,120
Acquisition and construction of capital assets	(5,026,485)	(7,140,161)	(12,166,646)	(16,661,060)
State grant	-	-	-	2,847,966
Capacity reserve fees collected	11,883,525	8,284,109	20,167,634	17,528,816
Net Cash Provided (Used) by Financing Activities	<u>6,882,146</u>	<u>(714,059)</u>	<u>6,168,087</u>	<u>1,888,404</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest received	710,776	608,728	1,319,504	159,711
Purchase of investments	(36,162,400)	(31,844,400)	(68,006,800)	(89,510,922)
Redemptions of investment securities	33,675,681	30,512,087	64,187,768	70,323,152
Proceeds of other investments	-	7,150,672	7,150,672	-
Net Cash Provided (Used) by Investing Activities	<u>(1,775,943)</u>	<u>6,427,087</u>	<u>4,651,144</u>	<u>(19,028,059)</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<u>1,879,164</u>	<u>1,210,355</u>	<u>3,089,519</u>	<u>(1,039,579)</u>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>6,827,040</u>	<u>6,173,300</u>	<u>13,000,340</u>	<u>14,039,919</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$8,706,204</u>	<u>\$7,383,655</u>	<u>\$16,089,859</u>	<u>\$13,000,340</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>				
Operating income (loss)	(\$4,884,281)	(\$923,979)	(\$5,808,260)	\$5,098,506
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	5,332,266	3,484,955	8,817,221	9,086,272
(Increase) decrease in accounts receivable	(2,797,356)	(2,337,939)	(5,135,295)	(208,245)
Decrease (increase) in lease receivable	-	2,068,914	2,068,914	(2,068,914)
(Increase) in investments in JPA	(1,136,318)	(163,623)	(1,299,941)	(477,935)
(Increase) decrease in deferred outflows of resources - employer contributions - pension	(255,114)	(132,506)	(387,620)	330,061
(Increase) decrease in deferred outflows of resources - employer contributions - OPEB	(345,588)	(251,180)	(596,768)	897,924
(Increase) decrease in deferred outflows of resources - pension related amounts	(9,622,130)	(6,993,532)	(16,615,662)	2,724,432
(Increase) in deferred outflows of resources - other OPEB amounts	(1,313,299)	(954,528)	(2,267,827)	(709,701)
(Decrease) increase in accounts payable	(263,995)	(4,400,291)	(4,664,286)	3,564,550
(Decrease) increase in contractor bonds and deposits payable	(1,266)	3,719	2,453	198,970
(Decrease) increase in accrued expenses	(183,340)	161,185	(22,155)	(19,138)
Increase (decrease) in compensated absences	60,073	(2,223)	57,850	(233,279)
(Decrease) in unearned revenue and other liabilities	(396,722)	(799,049)	(1,195,771)	(83,457)
Increase in DLD remediation reserve	1,533	-	1,533	265,090
Increase (decrease) in net pension liability	12,500,820	8,689,139	21,189,959	(12,381,668)
Decrease (increase) in net OPEB asset	3,971,811	2,886,782	6,858,593	(2,592,601)
(Decrease) increase in deferred inflows of resources - pension related amounts	(1,419,291)	(1,031,564)	(2,450,855)	9,148,600
(Decrease) increase in deferred inflows of resources - OPEB related amounts	(2,474,842)	(1,798,759)	(4,273,601)	1,552,415
(Decrease) increase in deferred inflows of resources - Leases	-	(2,008,194)	(2,008,194)	2,008,194
Total adjustments	<u>1,657,242</u>	<u>(3,578,694)</u>	<u>(1,921,452)</u>	<u>11,001,570</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>(\$3,227,039)</u>	<u>(\$4,502,673)</u>	<u>(\$7,729,712)</u>	<u>\$16,100,076</u>
<b>NON CASH TRANSACTIONS:</b>				
Fair market value adjustment increase	(\$994,216)	(\$875,501)	(\$1,869,717)	(\$9,594,052)
Contributed assets	1,240,900	1,855,400	3,096,300	3,828,960
Gain on sale of capital assets	25,106	19,180	44,286	53,120

See accompanying notes to basic financial statements

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# DUBLIN SAN RAMON SERVICES DISTRICT

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### A. General

Dublin San Ramon Services District (the District) is organized under the Community Services District Act provisions of the general laws of the State of California and is governed by a five-member Board of Directors. The District, which was established in 1953, provides water, recycled water and wastewater collection and treatment services. The District's jurisdiction is approximately 26 square miles in the counties of Alameda and Contra Costa, California.

#### B. Basis of Accounting

The District is a proprietary entity; it uses an enterprise fund format to report its activities for financial statement purposes. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprise, where the intent of the governing body is that costs and expenses, including depreciation, and providing goods or services to the general public on a continuing basis, be financed or recovered primarily through user charges.

A Major fund is a fund whose revenues, expenditures/expenses, assets, or liabilities (excluding extraordinary items) are at least 10 percent of corresponding totals for all enterprise funds and at least 5 percent of the aggregate amount for all enterprise funds.

The District reports the following major Proprietary Funds:

Water Enterprise – This enterprise accounts for the operation, maintenance, and capital improvement projects of the water system, which is funded by user charges and other fees.

Wastewater Enterprise – This enterprise accounts for the operation, maintenance, and capital improvement projects of the sewer system, which are funded by user charges and other fees.

#### C. Measurement Focus

Enterprise funds are accounted for on a cost of services or *economic resources* measurement focus, which means that all assets and all liabilities associated with their activity are included on their balance sheets. Enterprise fund type operating statements present increases (revenues) and decreases (expenses) in total net position.

# DUBLIN SAN RAMON SERVICES DISTRICT

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### D. Reporting Entity

In evaluating how to define the government for financial purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria prescribed by Generally Accepted Accounting Principles (GAAP). As required by GAAP, these financial statements present the primary government and its component units, entities for which the government is considered to be financially accountable. Financial accountability is interpreted to mean appointment of a voting majority of the component unit's board and either the ability to impose will by the primary government or the possibility that there is a financial benefit or burden on the primary government.

In evaluating the financial reporting entity for purpose of preparing the basic financial statements, the District has determined it is financially accountable for the DSRSD Financing Corporation. The Corporation is a separate government entity whose purpose is to assist with the financing of certain public capital facilities for the District through the issuance of bonds or other forms of debt. The Corporation is controlled by the District and has the same governing body as the District, which also performs all accounting and administrative functions for the Corporation. The Corporation is included as a blended component unit in these basic financial statements.

#### E. Capital Assets

Capital assets, which include property, plant, and equipment are recorded at historical costs or estimated historical cost, if actual cost is not available. Contributed assets are recorded at acquisition value on the date of contribution. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value rather than fair value.

The District defines capital assets as assets with an initial, individual cost of \$20,000 or more and an estimated useful life in excess of three years.

Depreciation is computed by the straight-line method based on the estimated useful lives of related asset classifications. The District has assigned the useful lives listed below to capital assets:

Land Improvements	15-25 years
Buildings	10-50 years
Equipment	3-25 years
Sub-surface lines	25-50 years

#### F. Cash Flows Defined

For purpose of the statements of cash flows the District defines cash and cash equivalents to include all cash in deposit accounts and cash on hand but does not include cash held in escrow for restricted purposes.

# DUBLIN SAN RAMON SERVICES DISTRICT

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### G. Accounts Receivable

The District bills its water consumption and sewer usage on a cycle billing method. Cycle billing results in an amount of services rendered but not yet billed at year-end. The District has recorded this revenue by estimating the unbilled amount. The estimate was calculated by using the billing subsequent to the balance sheet date (June 30) and calculating the amount of service provided prior to June 30. This calculated amount is included in accounts receivable.

#### H. Accrued Compensated Absences

The liability for vested vacation pay is calculated and accrued on an annual basis. The amount is computed using current employee accumulated leave hours (excluding sick leave which does not vest) at current pay rates. Full-time employees accrue sick leave at the rate of eight (8) hours per month credited in hour increments per pay period.

#### I. Estimates

The District's management has made a number of estimates and assumptions relating to the reporting of assets and liabilities and revenues and expenses and the disclosure of contingent liabilities to prepare these financial statements in conformity with Generally Accepted Accounting Principles (GAAP). Actual results could differ from those estimates.

#### J. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will *not* be recognized as an outflow of resources expense until then. In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time.

#### K. Prior Year Summarized Information

The basic financial statements include certain prior-year summarized comparative information in total but not at the level of detail required for a presentation in accordance with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended June 30, 2022, from which the summarized information was derived.



# DUBLIN SAN RAMON SERVICES DISTRICT

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### L. Pension

The purposes of measuring the net pension liability (asset) and deferred outflows/ inflows of resources related to pensions, and pension expense/ information about the fiduciary net position of the District's California Public Employees' Retirement System (CalPERS) plan (Plan) and additions to/ deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

#### M. Post-Employment Health Care Benefits

For purposes of measuring the net OPEB liability (asset), deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District's OPEB Plan and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by California Employers' Retiree Benefit Trust (CERBT). For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

#### N. Lease Accounting

A lease is defined as a contract that conveys control of the right to use another entity's nonfinancial asset (the underlying asset) as specified in the contract for a period of time in an exchange or exchange-like transaction. Examples of nonfinancial assets include buildings, land, vehicles and equipment. The District will record significant leases.

#### O. Subscription-Based Information Technology Arrangements

A subscription is defined as a contract that conveys control for the right to use another entity's subscription-based information technology software as specified in the contract for a period of time in an exchange or exchange-like transaction. The District will record significant subscription liabilities and intangible right-to-use subscription assets.

#### P. New Governmental Accounting Standards Board Statement Pronouncements

GASB Statement No. 96 – In May 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. The objective of this Statement is to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The Statement is effective for the reporting periods beginning after June 15, 2022, or fiscal year 2022-23. As part of the implementation of this Statement, the District established a threshold for reporting subscriptions and determined that none of its subscriptions were required to be recorded.

# DUBLIN SAN RAMON SERVICES DISTRICT

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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### NOTE 2 – CASH AND INVESTMENTS

#### A. Policies

California Law generally requires banks and savings and loan institutions to pledge government securities with a market value of 110% of the District's cash on deposit, or first trust deed mortgage notes with a market value of 150% of the deposit, as collateral for these deposits. Under California Law this collateral is held in a separate investment pool by another institution in the District's name and places the District ahead of general creditors of the institution. As of June 30, 2023, the District's cash in bank was insured or collateralized as discussed above.

The District invests in individual investments and in investment pools. Individual investments are evidenced by specific identifiable securities instruments, or by an electronic entry registering the owner in the records of the institution issuing the security, called the book entry system. In order to increase security, the District employs the Trust Department of a bank as the custodian of certain District managed investments, regardless of their form.

The District's investments are carried at fair value, as required by generally accepted accounting principles. The District adjusts the carrying value of its investments to reflect their fair value at each fiscal year end, and it includes the effects of these adjustments in income for that fiscal year.

#### B. Classification

Cash and investments are classified in the financial statements as shown below, based on whether or not their use is restricted under the terms of District debt instruments or Agency agreements.

Cash and cash equivalents	\$16,089,859
Investments	213,547,638
Restricted cash	855
Total cash and investments	<u><u>\$229,638,352</u></u>

#### C. Investments Authorized by the California Government Code and the District's Investment Policy

The District's Investment Policy and the California Government Code allow the District to invest in the following investment types provided the credit ratings of the issuers are acceptable to the District; and approved percentages and maturities are not exceeded.

The table below identifies those investments authorized by the Board of Directors in the District's investment policy, which was last adopted July 17, 2018. Maturities on investments are limited to five years except that up to 10% of the portfolio is deemed the "long-term" portfolio and may be invested up to seven years.

# DUBLIN SAN RAMON SERVICES DISTRICT

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

### NOTE 2 – CASH AND INVESTMENTS (Continued)

Limit	Minimum Rating	Minimum Credit Quality	Authorized Investment Type
None	None	5 years	Bonds issued by the District
None	None	5 years	U.S. Treasury Notes, Bills, or Certificates of Indebtness
None	None	5 years	Registered state warrants or treasury notes or bonds of this state
None	None	5 years	Registered treasury notes or bonds of the other 49 United States
None	None	5 years	Bonds , notes, warrants or evidences of indebtness of a local agency within the state
30%	None	5 years	Negotiable Certificates of Deposit by nationally or state chartered bank or a savings association or federal association or a state or general credit union or by a state licenses branch of a foreign bank
30%	A	5 years	Medium-term notes, defined as all corporate and depository institution debt securities
None	None	5 years	Deposits with bank and savings and loan associations, including certificates of deposits, where deposits are insured by FDIC
\$75M	None	N/A	The State of California Local Agency Investment Fund
None	None	N/A	Shares in California Asset Management Program (CAMP)
None	None	5 years	Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments.
None	None	N/A	Money Market Funds

### D. Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Normally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District generally manages its interest rate risk by holding investments to maturity.

Information about the sensitivity of the fair values of the District’s investments (including investments held by bond trustees) to market interest rate fluctuations is provided by the following table that shows the distribution of the District’s investments by maturity or earliest call date:

Investment Type	12 Months or less	13 - 24 Months	25 - 60 Months	Total
Corporate Bonds	\$3,418,951	\$4,682,554	\$17,980,652	\$26,082,157
Municipal Bonds	1,991,586		23,402,173	25,393,759
<i>Not rated</i>				
US Treasuries & Agencies	34,345,040	9,583,984		43,929,024
US Agencies - Callable	9,758,212	18,087,611	30,070,118	57,915,941
California Asset Management Program	36,887,703			36,887,703
California Local Agency Investment Fund	19,053,108			19,053,108
Negotiable Certificates of Deposit	2,716,344	239,540	1,330,062	4,285,946
<b>Total Unrestricted Investments</b>	<b>\$108,170,944</b>	<b>\$32,593,689</b>	<b>\$77,783,005</b>	<b>\$213,547,638</b>

# DUBLIN SAN RAMON SERVICES DISTRICT

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

### NOTE 2 – CASH AND INVESTMENTS (Continued)

The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The District reports its investment in LAIF at the fair value amount provided by LAIF, which is the same as the value of the pool share. The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Included in LAIF’s investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises, United States Treasury Notes and Bills, and corporations. At June 30, 2023, these investments matured in an average of 260 days.

The District is a voluntary participant in the California Asset Management Program (CAMP). CAMP is an investment pool offered by the California Asset Management Trust (the Trust). The Trust is a joint powers authority and public agency created by the Declaration of Trust and established under the provisions of the California Joint Exercise of Powers Act (California Government Code Sections 6500 et seq., or the “Act”) for the purpose of exercising the common power of its Participants to invest certain proceeds of debt issues and surplus funds. The Pool’s investments are limited to investments permitted by subdivisions (a) to (n), inclusive, of Section 53601 of the California Government Code. The District reports its investments in CAMP at the fair value amounts provided by CAMP, which is the same as the value of the pool share. At June 30, 2023, the fair value approximated is the District’s cost. At June 30, 2023, these investments have an average maturity of 28 days.

#### E. Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District’s Investment Policy gives guidance on how the District manages its custodial credit risk. Presented below is the actual rating as of June 30, 2023 for each investment type as provided by Standard and Poor’s.

Investment Type	AAA	AA+	AA	A+	A	A-	Total
Corporate Bonds	\$4,401,279	\$2,745,876	\$4,463,372	\$1,797,666	\$4,682,554	\$7,991,410	\$26,082,157
Municipal Bonds	8,718,034	4,556,501		6,369,371	3,890,112	1,859,741	25,393,759
US Treasuries & Agencies	40,770,500	17,145,441					57,915,941
<i>Not rated</i>							
California Local Agency Investment Fund	19,053,108						19,053,108
California Asset Management Program	36,887,703						36,887,703
US Treasuries & Agencies	43,929,024						43,929,024
Negotiable Certificates of Deposit	4,285,946						4,285,946
<b>Total Unrestricted Investments</b>	<b>\$158,045,594</b>	<b>\$24,447,818</b>	<b>\$4,463,372</b>	<b>\$8,167,037</b>	<b>\$8,572,666</b>	<b>\$9,851,151</b>	<b>\$213,547,638</b>

# DUBLIN SAN RAMON SERVICES DISTRICT

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

### NOTE 2 – CASH AND INVESTMENTS (Continued)

#### F. Concentration Risk

As of June 30, 2023, significant District investments in the securities of any individual issuers, other than U.S. Treasury securities, LAIF, and mutual funds, are set forth below:

Reporting Unit	Issuer	Investment Type	Reported Amount
District	Federal Farm Credit Bureau	Securities of U.S. Government Agencies	\$12,935,271
	Federal Home Loan Bank	Securities of U.S. Government Agencies	30,986,405

#### G. Investment Valuation

Investments (except for money market accounts, time deposits, and commercial paper) are measured at fair value on a recurring basis. Recurring fair value measurements are those that Governmental Accounting Standards Board (GASB) Statements require or permit in the statement of net position at the end of each reporting period. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investment fair value measurements at June 30, 2023 are described below.

	Level 2	Total
<b>Investments by Fair Value</b>		
Corporate Bonds	\$26,082,157	
Municipal Bonds	25,393,759	
US Treasuries and Agencies Securities	101,844,965	
Negotiable Certificates of Deposit	4,285,946	
	<u>\$157,606,827</u>	\$157,606,827
<b>Investments Measured at Net Asset Value Per Share:</b>		
California Asset Management Program		36,887,703
<b>External Investment Pool (Exempt):</b>		
California Local Agency Investment Fund		19,053,108
<b>Cash in Banks and On Hand</b>		16,090,714
Total Cash and Investments		<u>\$229,638,352</u>

US Treasuries and Agencies Securities, Corporate Bonds, Municipal Bonds, and Negotiable Certificates of Deposits categorized as Level 2 are valued based on matrix pricing which uses observable market inputs such as yield curves and market indices that are derived principally from or corroborated by observable market data by correlation to other means.

# DUBLIN SAN RAMON SERVICES DISTRICT

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

### NOTE 3 – RESTRICTED ASSETS AND RESTRICTED NET POSITION

The District has restricted its net position for capital expansion, asset replacement and other purposes in the amounts set forth below:

<u>Capital Expansion</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Local Sewer Expansion	\$9,410,278	\$9,010,500
Regional Sewer Expansion	57,606,747	53,293,828
Water Expansion	90,542,069	86,869,711
	<u>157,559,094</u>	<u>149,174,039</u>
 <u>Debt Service</u>	 <u>855</u>	 <u>2</u>
 <u>OPEB</u>	 <u>73,661</u>	 <u>6,932,254</u>
 <u>Pension</u>	 <u>-</u>	 <u>1,162,379</u>
 <u>Dougherty Valley Assessment District</u>	 <u>319,238</u>	 <u>203,996</u>
 <b>Total Restriction on Net Position</b>	 <b><u>\$157,952,848</u></b>	 <b><u>\$157,472,670</u></b>

### NOTE 4 – CAPITAL ASSETS

Changes in capital assets accounts are summarized below:

	<u>Balance at June 30, 2022</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance at June 30, 2023</u>
Capital assets being depreciated:				
Land Improvements	\$23,670,366	\$95,913		\$23,766,279
Buildings	131,514,355			131,514,355
Equipment	88,098,268	761,487	(\$353,944)	88,505,811
Sub-surface lines	174,477,521	3,108,900		178,117,729
Total capital assets being depreciated:	<u>417,760,510</u>	<u>3,966,300</u>	<u>(353,944)</u>	<u>421,904,174</u>
Less accumulated depreciation for:				
Land Improvements	(7,276,627)	(573,681)		(7,850,308)
Buildings	(57,026,125)	(2,677,884)		(59,704,009)
Equipment	(52,440,271)	(2,417,317)	353,944	(54,503,644)
Sub-surface lines	(63,850,967)	(3,148,339)		(66,999,306)
Total accumulated depreciation	<u>(180,593,990)</u>	<u>(8,817,221)</u>	<u>353,944</u>	<u>(189,057,267)</u>
Net capital assets being depreciated	<u>237,166,520</u>	<u>(4,850,921)</u>		<u>232,846,907</u>
Capital assets not being depreciated:				
Land	7,712,945			7,712,945
Construction in progress	54,351,112	8,200,346		62,020,150
Total capital assets not being depreciated	<u>62,064,057</u>	<u>8,200,346</u>		<u>69,733,095</u>
Total capital assets, net	<u>\$299,230,577</u>	<u>\$3,349,425</u>		<u>\$302,580,002</u>

# DUBLIN SAN RAMON SERVICES DISTRICT

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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### NOTE 4 – CAPITAL ASSETS (Continued)

The District had outstanding construction commitments on capital projects totaling \$14,058,204 at June 30, 2023.

Depreciation expense for the District for June 30, 2023 and June 30, 2022 are as follows:

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Water Fund	\$3,484,955	\$3,643,646
Wastewater Fund	<u>5,332,266</u>	<u>5,442,626</u>
Total Depreciation expense	<u><u>\$8,817,221</u></u>	<u><u>\$9,086,272</u></u>

### NOTE 5 – DEFERRED CAPACITY RESERVE FEES RECEIVABLE

In fiscal year ended June 30, 1997, the District implemented a deferred payment program for regional sewer capacity reserve fees as a means to attract new business to the area. The program was modified in subsequent years and is now designed for commercial and affordable housing with regional sewer capacity reserve fees owed between \$25,000 and \$100,000. Loans bear an interest rate of 5%. Customers make a 20% down payment of regional sewer capacity reserve fees owed and enter into an agreement with the District to pay the balance over a maximum of ten years. The capacity reserve fee revenue is recognized as it is received. The portions outstanding are recorded as deferred capacity reserve fees receivable, which amounted to \$34,495 at June 30, 2023, of which \$29,696 is the current portion.

### NOTE 6 – JOINT POWERS AUTHORITIES

#### A. LAVWMA

The District is one of three participants in the Livermore Amador Valley Water Management Agency (LAVWMA), a joint powers authority formed in 1974, which constructed and operates an export pumping facility through which all wastewater in the area is discharged. The other two participants are the Cities of Livermore and Pleasanton, each also having a one-third representation in LAVWMA's Board of Directors, composed of two representatives from each participating agency. The LAVWMA's Board of Directors approves LAVWMA's annual budget, which is prepared by LAVWMA's general manager. The Agency charges its members for project costs in proportion to their rights to the Agency's capacity.

# DUBLIN SAN RAMON SERVICES DISTRICT

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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### NOTE 6 – JOINT POWERS AUTHORITIES (Continued)

The District contracts with the City of Pleasanton (“City”) to provide wastewater treatment. The District establishes user charges for these wastewater services. The City then establishes those same charges in its service area and remits the charges they collect to the District upon receipt. A portion of the user charge is for the services provided by LAVWMA. LAVWMA bills the District for both the District’s and Pleasanton’s share of these costs (which includes both operations and debt service). Financial statements for LAVWMA may be obtained from DSRSD, 7051 Dublin Boulevard, Dublin, California 94568 or LAVWMA’s website at lavwma.com.

LAVWMA issued \$54,790,000 principal amount of 2021 Sewer Revenue Refunding Bonds on August 11, 2021. Proceeds of the issuance were used to refund and retire the 2011 Sewer Revenue Refunding Bonds and to pay costs of issuance. Under the Amended And Restated Sewer Service Contract dated July 1, 2021, between LAVWMA and Members, the Members pledged and created, in favor of LAVWMA and the Trustee for the 2021 Bonds, a lien on the Net Revenues of their respective wastewater systems (the “Sewer Systems”), to pay to LAVWMA the amounts owed in order for LAVWMA to pay debt service on the 2021 Bonds.

Effective October 17, 2016, the LAVWMA Board entered into an agreement to retain the District’s Administrative Services Manager as LAVWMA’s Treasurer.

Financial information for LAVWMA summarized below is as of and for the year ended June 30, 2023:

Total assets	\$118,662,423
Total liabilities and deferred inflows of resources	64,767,725
Total net position	53,894,698
Total operating revenue	11,692,552
Total operating expenses	(8,775,043)
Total non-operating revenue	1,072,871
Total non-operating expenses	<u>(1,459,091)</u>
Net gain	<u><u>\$2,531,289</u></u>

As of June 30, 2023, the District’s share of the JPA was \$15,116,087. which is reflected as an Investment in JPA in the District’s Wastewater Fund.



# DUBLIN SAN RAMON SERVICES DISTRICT

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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### NOTE 6 – JOINT POWERS AUTHORITIES (Continued)

#### B. DERWA

The District is also a participant (along with East Bay Municipal Utility District) in the DSRSD/EBMUD Recycled Water Authority (DERWA), a joint powers authority formed in 1995 to plan, design, construct, own and operate various facilities which together will maximize the volume of recycled water deliveries while recovering its costs. Each member provides two representatives to DERWA's Board of Directors which approves the annual budget prepared by DERWA's Treasurer. The Authority began its operations on June 28, 1995.

DERWA constructed a water recycling system, including treatment, conveyance, pumping and storage facilities which became operational on February 1, 2006. Operation and maintenance expenses are allocated based on each member's actual usage. Capital costs, including debt service, are allocated based on each member's proportional share of capital assets.

Financial statements may be obtained from DERWA, P.O. Box 24055 Oakland, California 94623 or DERWA's website at [www.srvrwp.org](http://www.srvrwp.org).

Financial information for DERWA summarized below is as of and for the year ended June 30, 2023:

Total assets	\$73,118,837
Total liabilities	4,388,482
Total net position	68,730,355
Total operating revenue	5,949,220
Total non-operating revenue	23,410
Total operating expenses	(5,894,116)
Total non-operating expenses	<u>(132,181)</u>
Net loss	<u><u>(\$53,667)</u></u>

As of June 30, 2023, the District's share of the JPA was \$38,969,882, which is reflected as an Investment in JPA in the District's Water Fund.

# DUBLIN SAN RAMON SERVICES DISTRICT

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

### NOTE 7 – LONG-TERM DEBT

	Original Issue Amount	Balance June 30, 2022	Retirements	Balance June 30, 2023	Amount due within one year
2017 Water Revenue Refunding Bonds 2%-5%, due 8/1/2041	\$33,590,000	<u>\$31,870,000</u>	<u>\$475,000</u>	<u>\$31,395,000</u>	<u>\$500,000</u>
Total long-term debt		<u>\$31,870,000</u>	<u>\$475,000</u>	<u>\$31,395,000</u>	<u>\$500,000</u>

#### A. 2017 Water Revenue Refunding Bonds

The District issued \$33,590,000 of 2017 Water Revenue Refunding Bonds on December 1, 2017. Proceeds of the issuance were used to refund the outstanding portion of the 2011 Water Revenue Refunding Bonds and pay costs of issuance. Interest rates range from 2% to 4%. The aggregate difference in debt service between the refunding debt and the refunded debt was \$2,745,178. Principal payments are due annually beginning August 1, 2018 through August 1, 2041.

The issuance is payable from a pledge of fees, charges and other amounts received from the available Net Revenue of the water enterprise. The pledge of future Water Fund Revenues ends upon repayment of the \$46,386,383 in remaining debt service on the bonds that is scheduled to occur in 2041.

The District’s bond covenants contain events of default that require the net revenue of the District to be applied by the Trustee as specified in the terms of the agreement if any of the following conditions occur: default on debt service payments; the failure of the District to observe or perform the conditions, covenants, or agreement terms of the debt; bankruptcy filing by the District; or if any court or competent jurisdiction shall assume custody or control of the District.

The District is subject to certain revenue bond covenants, the most restrictive of which requires the setting of rates and charges to yield net revenue (as defined) equal to at least 120% of the current annual debt service requirements of the water revenue bonds. In accordance with the revenue bond covenants, if pledged revenues during the year are less than 120% of maximum annual debt service coverage due at the end of the fiscal year, the outstanding amounts of the bonds and notes become immediately due. For fiscal year 2023, operating revenues, investment income, and capital grants and contributions amounted to \$49,414,460 and operating costs including operating expenses, but not interest, amounted to \$38,297,738. Net Revenues available for debt service amounted to \$11,116,722 which represents coverage of 592% over the \$1,877,188 in debt service for the bonds. This coverage calculation is shown on the next page.

# DUBLIN SAN RAMON SERVICES DISTRICT

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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### NOTE 7 – LONG-TERM DEBT (Continued)

<b>WATER REVENUES:</b>	
Water Sales	\$36,170,972
Other Revenues (1)	6,558,877
Interest Income	1,170,801
Capacity Reserve Fees	8,284,109
Less Assessment District (2)	(1,975,061)
Less Tax Revenues	(906,804)
Less Cell Tower Lease Revenue	111,566
<b>TOTAL WATER REVENUES</b>	<b>\$49,414,460</b>
<b>WATER OPERATION &amp; MAINTENANCE COSTS:</b>	
Operating Expense	\$43,653,828
Less Depreciation	(3,484,955)
Less Assessment District (2)	(1,871,135)
<b>TOTAL WATER OPERATION &amp; MAINTENANCE COSTS</b>	<b>38,297,738</b>
<b>NET WATER REVENUES</b>	<b>\$11,116,722</b>
<b>DEBT SERVICE:</b>	
2017 Water Bonds	\$1,877,188
<b>TOTAL DEBT SERVICE</b>	<b>\$1,877,188</b>
<b>DEBT SERVICE COVERAGE</b>	<b>5.92</b>

(1) Includes Tax Revenues and Cell Tower Lease Revenue.

(2) Assessments levied in the Dougherty Valley Standby Assessment District can be used only to pay for costs related to the Assessment District and are not available to pay debt service on the Bonds.

# DUBLIN SAN RAMON SERVICES DISTRICT

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

### NOTE 7 – LONG-TERM DEBT (Continued)

#### B. Segment Reporting

The Regional Wastewater Expansion Fund and Water Fund represent segments reported within the Wastewater Enterprise Fund and Water Enterprise Fund, respectively, which had debt outstanding, with the revenue pledge streams discussed above. In addition, the Regional Wastewater Expansion Fund's and Water Enterprise Fund's revenues, expenses, gains and losses, assets, and liabilities are required to be accounted for separately. Condensed financial information for each segment is presented below:

	Regional	
	Wastewater	Water
	Expansion	Water
<b>Condensed Statement of Net Position</b>		
Assets:		
Current	\$45,524,859	\$117,661,910
Capital	17,500,988	143,417,871
Other non current	12,356,316	38,969,882
Total assets	<u>75,382,163</u>	<u>300,049,663</u>
Deferred outflows of resources	-	9,404,020
Liabilities:		
Current liabilities	271,003	16,568,988
Long term liabilities	3,425	31,252,398
Total liabilities	<u>274,428</u>	<u>47,821,386</u>
Deferred inflows of resources	-	3,925,853
Net position:		
Net investment in capital assets	17,500,988	112,022,871
Restricted	57,606,747	90,542,924
Unrestricted	-	55,140,649
Total net position	<u>\$75,107,735</u>	<u>\$257,706,444</u>
<b>Condensed Statement of Revenues, Expenses and Changes in Net Position</b>		
Operating revenue	\$51,557	\$39,821,157
Operating expenses	(3,580,676)	(40,439,168)
Operating loss (gain)	<u>(3,529,119)</u>	<u>(618,011)</u>
Nonoperating revenues (expenses):		
Interest income	457,385	1,159,485
Interest expense	-	(1,392,292)
Gain on sale of capital assets	-	19,180
Gain on investment in JPA	928,625	163,622
Non-cash contributions	-	1,855,400
Capital contributions - capacity reserve fees	7,243,939	8,284,109
Transfers in	-	7,356,471
Transfers out	-	(7,625,756)
Change in net position	5,100,830	9,202,208
Beginning net position	70,006,905	248,504,236
Ending net position	<u>\$75,107,735</u>	<u>\$257,706,444</u>
<b>Condensed Statement of Cash Flows</b>		
Net cash provided (used) by:		
Operating activities	(\$4,296,706)	(\$8,278,662)
Noncapital financing activities	(787,911)	342,151
Capital financing activities	7,243,939	4,606,263
Investing activities	<u>(1,367,841)</u>	<u>4,765,657</u>
Net cash flows	791,481	1,435,409
Beginning cash and cash equivalents	2,498,098	6,382,273
Ending cash and cash equivalents	<u>\$3,289,579</u>	<u>\$7,817,682</u>

# DUBLIN SAN RAMON SERVICES DISTRICT

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

### NOTE 7 – LONG-TERM DEBT (Continued)

#### C. Repayment Schedule

Shown below are maturities for the debt issues:

For The Year Ending June 30	Principal	Interest	Total
2024	\$500,000	\$1,377,813	\$1,877,813
2025	525,000	1,352,188	1,877,188
2026	550,000	1,325,313	1,875,313
2027	1,020,000	1,286,063	2,306,063
2028	1,360,000	1,226,563	2,586,563
2029-2033	7,855,000	5,018,940	12,873,940
2034-2038	10,015,000	2,795,440	12,810,440
2039-2042	9,570,000	609,063	10,179,063
Total payments due	<u>\$31,395,000</u>	<u>\$14,991,383</u>	<u>\$46,386,383</u>

### NOTE 8 – UNEARNED REVENUE AND OTHER LIABILITIES

Total unearned revenue and other liabilities for the year ended June 30, 2023, totaled \$391,893.

Wastewater Fund deferred revenue for the Deferred Capacity Reserve Fee Program was also recorded in the amount of \$34,495 (see Note 5). The current portion of this balance at June 30, 2023 is \$29,696.

As of June 30, 2023, the Water Fund recorded \$357,398 from developers for future capacity reserve fee credits. When utilized in the future, 50% of the cost of the current capacity reserve fee will be paid for with the credit and the revenue will be recorded at that time.

### NOTE 9 – COMPENSATED ABSENCES

As of June 30, 2023, accrued compensated absences are as follows:

	Business Type Activities		Total
	Sewer	Water	
Summary of activity:			
Beginning balance	\$993,220	\$692,280	\$1,685,500
Additions	1,173,534	797,880	1,971,414
Payments	<u>(1,113,461)</u>	<u>(800,103)</u>	<u>(1,913,564)</u>
Ending balance - due within one year	<u>\$1,053,293</u>	<u>\$690,057</u>	<u>\$1,743,350</u>

# DUBLIN SAN RAMON SERVICES DISTRICT

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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### NOTE 10 – PENSION PLAN

#### A. Plan Description

All qualified permanent and probationary employees are eligible to participate in the District's Miscellaneous Employee Pension Plan, cost-sharing multiple employer defined benefit pension plan (the Plan) administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plan are established by State statute and District's resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

#### B. Benefits provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for the plan is applied as specified by the Public Employees' Retirement Law.

Active plan members in the Miscellaneous Plan Classic members (Tier 1) for members hired before January 1, 2013 and PEPRAs members (Tier 2) for members hired on or after January 1, 2013 are required to contribute 8% and 6.75%, respectively, of their annual covered salary. The District is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration. The contribution requirements of the plan members are established by State statute and the employer contribution rate is established and may be amended by CalPERS.

For Tier 1 members, on November 16, 2004, the Board of Directors approved a resolution authorizing an amendment to the contract between CalPERS and the Dublin San Ramon Services District. Prior to the amendment, the Retirement Plan formula was 2.0% at 55. The new formula of 2.7% at 55 provides local miscellaneous members 2.7% of pay at age 55 for each year of service credited with the employer. The formula is based on the member's final one year compensation. If retirement is earlier than 55, the percentage of final compensation decreases for each quarter of age to 2% at age 50. Former District employees' service credit will not be affected by this change and the change became effective in November 2004. The District has agreed to cost sharing with employees to implement the new retirement formula. Tier 1 members pay 2% of the employer cost through 2024.

The cost sharing was negotiated with all employee bargaining groups and continues the employer-employee partnership of jointly funding retirement benefits.

For Tier 2 members, the formula is 2% at age 62, based on the member's final three years' compensation.

# DUBLIN SAN RAMON SERVICES DISTRICT

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

### NOTE 10 – PENSION PLAN (Continued)

The Plan’s provisions and benefits in effect at June 30, 2023, are summarized as follows:

	<u>Miscellaneous</u>	
	Prior To	On or After
Hire date	January 1, 2013	January 1, 2013
Benefit formula	2.7% @ 55	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	Monthly for life	Monthly for life
Retirement age	50 - 55	52 - 62
Monthly benefits, as a % of eligible compensation	2.0% to 2.7%	1.0% to 2.5%
Required employee contribution rates	8.000%	6.750%
Required employer contribution rates	14.03%	7.47%

Starting in fiscal year 2016, the required employer contribution rate was separated into an Employer Normal Cost Rate and a fixed dollar payment of the unfunded liability. For fiscal year 2023, the District paid \$1,321,062 towards the unfunded liability.

### C. Contributions

Section 20814(c) of the California Public Employees’ Retirement Law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan is determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions.

For the year ended June 30, 2023, District’s total contribution to the Plan were as follows:

	<u>Miscellaneous</u>
Contributions - employer	\$2,992,729

### D. Pension Liabilities, Pension Expenses and Deferred Outflows/ Inflows of Resources Related to Pensions

As of June 30, 2023, the District reported net pension asset for its proportionate shares of the net pension asset of the Plan as follows:

	<u>Proportionate Share of Net Pension Liability</u>
Miscellaneous	\$19,481,810

# DUBLIN SAN RAMON SERVICES DISTRICT

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

### NOTE 10 – PENSION PLAN (Continued)

The District’s net pension liability (asset) for the Plan is measured as the proportionate share of the net pension liability of the CalPERS pooled plans. The net pension liability of the Plan is measured as of June 30, 2022, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022 using standard update procedures. The District’s proportion of the net pension liability was based on the District’s plan liability and asset-related information where available, and proportional allocations of individual plan amounts as of the valuation date where not available.

The District’s proportionate share of the net pension liability (asset) for the Plan as of June 30, 2021 and 2022 was as follows:

	<u>Miscellaneous</u>
Proportion - June 30, 2021	-0.0612%
Proportion - June 30, 2022	0.4163%
Change - Increase (Decrease)	0.4775%

For the year ended June 30, 2023, the District recognized pension expense of \$4,182,781. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$2,992,729	
Differences between actual and expected experience	391,232	(\$262,031)
Changes of assumptions	1,996,319	
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions		(3,650,030)
Net differences between projected and actual earnings on plan investments	3,568,550	
Change's in employer's proportion	<u>13,841,618</u>	<u>(5,826,606)</u>
Total	<u>\$22,790,448</u>	<u>(\$9,738,667)</u>

\$2,992,729 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2024.



# DUBLIN SAN RAMON SERVICES DISTRICT

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

### NOTE 10 – PENSION PLAN (Continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Measurement Period Ended June 30:	Deferred Outflows (Inflows) of Resources
2024	\$1,798,914
2025	2,545,425
2026	3,532,065
2027	2,182,648
Total	<u>\$10,059,052</u>

**E. Actuarial Assumptions** – For the measurement period ended June 30, 2022, the total pension liability was determined by rolling forward the June 30, 2021, total pension liability. The June 30, 2021 total pension liabilities were based on the following actuarial methods and assumptions for all benefits tiers:

	Miscellaneous
Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Projected Salary Increase	Varies by entry age and service (1)
Investment Rate of Return	6.90% (2)
Mortality	Derived by CalPERS Membership Data for all funds (3)

(1) Depending on age, service and type of employment.

(2) Net of pension plan investment expenses, including inflation.

(3) The mortality table used was developed based on CalPERS' specific data. The table includes generational mortality improvements using the Society of Actuaries Scale 80% of Scale MP 2020. For more details on this table, please refer to the November 2021 experience study report (based on CalPERS demographic data from 2001 to 2019) that can be found on the CalPERS website.

**F. Discount Rate** – The discount rate used to measure the total pension liability for the Plan was 6.90%. The projection of cash flows used to determine the discount rate for the Plan assumed that contributions from all plan members in the Public Employees Retirement Fund (PERF) will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

# DUBLIN SAN RAMON SERVICES DISTRICT

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

### NOTE 10 – PENSION PLAN (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations. Using historical information for all the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 basis points.

The table below reflects the expected real rates of return by asset class are as follows:

Asset Class	Assumed asset Allocation	Real Return Years 1 - 10 (1, 2)
Global Equity-Cap-Weighted	30.0%	4.54%
Global Equity - Non-Cap-Weighted	12.0%	3.84%
Private Equity	13.0%	7.28%
Treasury	5.0%	0.27%
Mortgage-Backed Securities	5.0%	0.50%
Investment Grade Corporates	10.0%	1.56%
High Yield	5.0%	2.27%
Emerging Market Debt	5.0%	2.48%
Private Debt	5.0%	3.57%
Real Assets	15.0%	3.21%
Leverage	-5.0%	-0.59%
Total	100%	

(1) An expected inflation of 2.30% used for this period.

(2) Figures are based on the 2021 Asset Liability Management study.

Changes of Assumptions – Effective with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions.

# DUBLIN SAN RAMON SERVICES DISTRICT

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

### NOTE 10 – PENSION PLAN (Continued)

#### G. Sensitivity of the Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the District’s proportionate share of the net pension liability (asset) for the Plan, calculated using the discount rate for the Plan, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

Miscellaneous - All Tiers Plan's Net Pension Liability		
1% Decrease (5.9%)	Current Discount Rate (6.9%)	1% Increase (7.9%)
\$37,462,704	\$19,481,810	\$4,687,996

**H. Pension Plan Fiduciary Net Position** - Detailed information about each pension plan’s fiduciary net position is available in the separately issued CalPERS financial reports.

### NOTE 11 – OTHER POST EMPLOYMENT HEALTH CARE BENEFITS

#### A. Plan Description and Benefits Provided

The District provides medical and dental benefits for employees, hired before July 1, 2014; that retire from the District and their families under third-party insurance plans under an agent multiple-employer plan. Employees hired after July 1, 2014 will no longer be eligible for retiree dental benefits. While the District participates in the CalPERS medical plan, it is required to pay the same amounts for retiree medical insurance as it does for active employees. The Board sets the benefit amounts by resolution each year for each bargaining group and in accordance with current employee contracts.

Prior to 2004, the District paid these benefits regardless of the employee’s length of service. Currently, all new employees are automatically enrolled in a medical vesting program where they are eligible for benefits based upon amounts set by CalPERS and length of service. Employees under the vesting program are not eligible to receive any medical benefits without accumulating at least ten years of CalPERS service with at least five of those years as a District employee.

As of June 30, 2023, 103 retirees are receiving medical benefits, 110 retirees are receiving dental benefits, and 125 active participants are eligible for future benefits.

# DUBLIN SAN RAMON SERVICES DISTRICT

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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### NOTE 11 – OTHER POST EMPLOYMENT HEALTH CARE BENEFITS (Continued)

#### B. Net OPEB Liability

##### Actuarial Methods and Assumptions

The District's net OPEB liability was measured as of June 30, 2022 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2021 that was used to determine the total OPEB liability based on the following actuarial methods and assumptions: (a) 5.67% investment rate of return, (b) 3.0% projected annual salary increase, (c) 2.5% inflation rate, and (d) 5.80% health inflation increases. The actuarial methods and assumptions used include techniques that smooth the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Actuarial calculations reflect a long-term perspective and actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to revision at least biennially as results are compared to past expectations and new estimates are made about the future. The District's OPEB liability is being amortized as a level percentage of projected payrolls using a 30 year closed amortization period.

In accordance with the District's budget, the OPEB plan is to be funded throughout the year as a percentage of payroll. The District Board passed a resolution to participate in the California Employers Retirees Benefit Trust (CERBT), an irrevocable trust established to fund OPEB. CERBT is administered by CalPERS, and is managed by an appointed board not under the control of the District Board. This Trust is not considered a component unit by the District and has been excluded from these financial statements. Separately issued financial statements for CERBT may be obtained from CalPERS at P.O. Box 942709, Sacramento, CA 94229-2709.

##### Discount Rate

The discount rate used to measure the total OPEB liability was 5.67 percent. The projection of cash flows used to determine the discount rate assumed that District contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

# DUBLIN SAN RAMON SERVICES DISTRICT

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

### NOTE 11 – OTHER POST EMPLOYMENT HEALTH CARE BENEFITS (Continued)

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term expected real rate of return	Long-Term Expected Rate of Return (with the effect of inflation)
Global Equity	34%	4.40%	4.50%
Fixed Income	41%	-1.00%	2.20%
REITs	17%	3.00%	3.90%
TIPS	5%	-1.80%	1.30%
Commodities	3%	0.80%	1.20%
<b>Total</b>	<b>100%</b>		
Assumed Long-Term Rate of Inflation		2.50%	
Discount Rate		5.67%	

### C. Changes in Net OPEB Liability

The changes in the Net OPEB Liability (Asset) are as follows:

	Total OPEB Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (c) = (a) - (b)
As of FYE 2022 (Measurement date 6/30/2021)	\$27,241,655	\$34,173,909	(\$6,932,254)
Changes Recognized for the Measurement Period:			
Service Cost	1,011,269		1,011,269
Interest on the total OPEB liability	1,563,109		1,563,109
Net investment income		1,898,582	(1,898,582)
Administrative expenses		(8,677)	8,677
Change due to Investment Experience		(6,174,120)	6,174,120
Benefit payments and refunds	(1,369,742)	(1,369,742)	-
Net Changes during fiscal year ended 2023	1,204,636	(5,653,957)	6,858,593
As of FYE 2023 (Measurement date 6/30/2022)	\$28,446,291	\$28,519,952	(\$73,661)

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued plan financial report that may be obtained from CERBT. The benefit payments and refunds include implicit subsidy benefit payments in the amount of \$308,610.

# DUBLIN SAN RAMON SERVICES DISTRICT

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

### NOTE 11 – OTHER POST EMPLOYMENT HEALTH CARE BENEFITS (Continued)

Changes in the Fiduciary Net Position due to investment performance different from the assumed earnings rate is always recognized over 5 years. The five-year period is a GASB 75 requirement.

#### D. Sensitivity of the Net OPEB Liability

The following presents the net OPEB liability (asset) of the District, as well as what the District's net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (4.67 percent) or 1-percentage-point higher (6.67 percent) than the current discount rate:

Plan's Net OPEB Liability (Asset)		
Discount Rate -1% (4.67 %)	Current Discount Rate (5.67%)	Discount Rate +1% (6.67%)
\$3,605,019	(\$73,661)	(\$3,113,759)

#### E. Healthcare Cost Trend Rate Sensitivity

The following presents the net OPEB liability (asset) of the District, as well as what the District's net OPEB liability (asset) would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower (4.8 percent) or 1-percentage-point higher (6.8 percent) than the current healthcare cost trend rate:

Plan's Net OPEB Liability (Asset)		
Discount Rate -1% (4.8%)	Health Care Cost Trend Rates (5.8%)	Discount Rate +1% (6.8%)
(\$3,402,248)	(\$73,661)	\$3,997,526

#### F. OPEB Expenses and Deferred Outflows/Inflows of Resources Related to OPEB

For the year ended June 30, 2023, the District recognized OPEB expense of \$317,165 as of fiscal year ended June 30, 2023, the District reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred Contributions	\$596,768	
Changes of Assumptions	474,728	(\$268,176)
Differences between expected and actual experience	499,213	(887,536)
Net difference between projected and actual earnings on OPEB plan investments	2,552,605	
Total	\$4,123,314	(\$1,155,712)

# DUBLIN SAN RAMON SERVICES DISTRICT

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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### NOTE 11 – OTHER POST EMPLOYMENT HEALTH CARE BENEFITS (Continued)

The difference between projected OPEB plan investment earnings and actual earnings is amortized over a five-year period. The remaining gains and losses are amortized over the expected average remaining service life. The expected average remaining service life for the June 30, 2022 measurement period is 5.42 years for deferred resources arising in the fiscal year. Specifically, liability changes due to (1) plan experience that differs from what was assumed in the prior year and (2) assumption changes during the year are recognized over the EARSLS period.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as future OPEB expense as follows:

Measurement Period Ended June 30	Deferred Outflows/(Inflows) of Resources
2024	(\$295,180)
2025	602,515
2026	709,068
2027	1,354,431
	<u>\$2,370,834</u>

### NOTE 12 – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts: theft, damage, and destruction of assets; errors and omissions; injuries to employees and natural disaster. The District joined together with other entities to form the California Sanitation Risk Management Authority (CSRMA), a public entity risk pool currently operating as a common risk management and insurance program for 58 member entities. The purpose of CSRMA is to spread the adverse effects of losses among the member entities and to purchase excess insurance as a group, thereby reducing its cost. The District pays annual premiums to CSRMA for its general, liability, property damage and workers compensation insurance.

CSRMA is governed by a Board comprised of one representative from each member agency. The Board controls the operations of CSRMA including selection of management and approval of operating budgets, independent of any influence by member entities.

In addition to the primary insurance types provided for through CSRMA listed above, the District also maintains commercial fidelity bonds, public employee dishonesty and public official bonds, to protect against employee theft or defalcation. Settled claims for CSRMA or commercial fidelity bonds have not exceeded coverage in any of the past three fiscal years.

# DUBLIN SAN RAMON SERVICES DISTRICT

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

### NOTE 12 – RISK MANAGEMENT (Continued)

The following is a summary of the insurance policies carried by the District as of June 30, 2023:

Company Names	Insurance Program Type of Coverage	Limits	Deductibles
Great American Excess & Surplus Company	Excess liability	\$10,000,000	None
Alliant Property Insurance Program (APIP)	Special form property	284,841,475	\$25,000
Interstate Fire and Casualty Insurance Company	Public entity pollution liability (claims made & reported)	25,000,000	None
Lloyd's of London Beazley Syndicate	Cyber liability coverage	2,000,000	None
Travelers Property and Casualty	Public official bond	100,000	None
National Union Fire Insurance Co.	ACIP CSRMA master crime policy	2,000,000	2,500
Safety National Casualty Corporation	Excess workers' compensation employers' liability	Statutory	None
Travelers Insurance Company	ID fraud master policy identify theft	25,000	None
Lloyd's of London Beazley	ADWRP - Alliant Deadly Weapons response	500,000	None
<u>Pooled Insurance Program</u>			
CSRMA Pooled Liability			
Munich American Reinsurance Co.	Errors & omissions and employment practices liability	15,500,000	100,000
CSRMA Pooled Workers' Compensation	Workers' compensation employers' liability	1,000,000	None

Prior to July 1, 1994, the District was self-insured for workers' compensation and will continue to be responsible for any claims existing as of that date.

Claims and judgments, including provision for claims incurred but not reported, are recorded when a loss is deemed probable of assertion and the amount of the loss is reasonably determinable. As discussed above, the District has coverage for such claims, but it had retained the risk for the deductible or uninsured portion of these claims.

The District's liability for uninsured claims is limited to workers' compensation and general liability claims, as discussed above, and was estimated by a third party claims administrator based on prior years claims experience as follows:

	2023	2022
Balance at July 1	\$405,109	\$507,245
Net change in liability for claims and claims incurred but not reported	561,982	356,716
Claims paid	(584,137)	(458,852)
Balance at June 30	\$382,954	\$405,109

The District has not exceeded its insurance coverage limits in any of the last three years. The District liability is included in accrued expenses on the financial statements.



# DUBLIN SAN RAMON SERVICES DISTRICT

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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### NOTE 13 – COMMITMENTS AND CONTINGENT LIABILITIES

The District purchases water from the Alameda County Flood Control and Water Conservation District (Zone 7) under a thirty-year contract, which expires August 23, 2024. Under the terms of the contract, subject to various exceptions, the District is required to purchase all of its water from Zone 7. During fiscal year ended June 30, 2023, the District's water purchases from Zone 7 amounted to \$16,114,828.

The District is a defendant in a number of lawsuits, which have arisen in the normal course of business. In the opinion of the District, these actions when finally adjudicated will not have a material adverse effect on the financial position of the District.

The District operates a Dedicated Land Disposal site upon which the District processes biosolids produced by the District's wastewater treatment plant. On August 8, 2007, the San Francisco Bay Regional Water Quality Control Board issued Waste Discharge Requirements, which require the District to perform corrective actions for known and reasonably foreseeable releases from the Dedicated Land Disposal site. At this time, the Regional Board and the District expect that the most likely corrective action, if any is needed, would be related to the potential impact to groundwater quality and resulting closure and post-closure activities. The District prepared an analysis in December 2007 to determine the estimated costs of these corrective actions which comprise drilling two extraction wells and constructing a conveyance pipeline for discharge of potentially impacted ground water into the District's collection system. The Study also included estimated costs of operation, maintenance and monitoring of the above facilities for a ten year period after closure of the site which is expected to occur within thirty to fifty years. In September 2016, a study was prepared to update the closure and post-closure care costs. Actual closure and post-closure care costs may be higher, lower, or even not required due to inflation variances, changes in technology, or changes in State or Federal regulations.

The present value of these closure and post closure costs, discounted at 5 percent amounted to \$2,147,196 as of June 30, 2023. The District is required by State and federal laws and regulations to make annual funding contributions to finance closure and post-closure care. The District is in compliance with these requirements for the year ended June 30, 2023 with the establishment of the fully-funded liability for this purpose.

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**REQUIRED SUPPLEMENTARY INFORMATION**

# DUBLIN SAN RAMON SERVICES DISTRICT

## Required Supplementary Information For the year ended June 30, 2023

### SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY – COST SHARING MULTIPLE EMPLOYER PLAN\*

Measurement Date	2022	2021	2020	2019	2018	2017	2016	2015
Proportion of the net pension liability (asset)	0.416147%	-0.061216%	0.334034%	0.304106%	0.262289%	0.263435%	0.149748%	0.185007%
Proportionate share of the net pension liability (asset)	\$19,481,810	(\$1,162,379)	\$14,089,817	\$12,177,945	\$9,884,912	\$10,384,742	\$12,957,811	\$12,698,750
Covered payroll	15,604,785	15,115,187	13,865,188	14,277,527	13,051,223	12,592,116	12,033,906	12,009,479
Proportionate Share of the net pension liability (asset) as percentage of covered payroll	124.85%	-7.69%	101.62%	85.29%	75.74%	82.47%	107.68%	105.74%
Plan's Fiduciary net position	112,422,195	123,880,746	103,881,003	99,764,640	94,791,258	90,325,711	76,197,801	72,030,535
Plan Fiduciary net position as a percentage of the total pension liability	76.68%	88.29%	88.06%	89.12%	90.56%	89.69%	74.06%	78.40%

Notes to schedule:

**Benefits changes.** The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2015 valuation date. This applies to for voluntary benefit changes as well as any offers of two years additional service credit (a.k.a Golden Handshakes).

**Changes in assumptions.** None.

\* Fiscal year 2015 was the 1st year of implementation, therefore only eight years are shown.

# DUBLIN SAN RAMON SERVICES DISTRICT

## Required Supplementary Information For the year ended June 30, 2023

### SCHEDULE OF CONTRIBUTIONS (PENSION)\*

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution (actuarially determined)	\$2,992,729	\$2,605,109	\$2,935,170	\$2,714,774	\$1,859,162	\$1,504,792	\$1,401,296	\$2,120,252	\$1,716,224
Contribution in relation to the actuarially determined contributions	2,992,729	2,605,109	2,935,170	2,714,774	1,859,162	1,504,792	6,401,296	7,120,252	6,716,224
Contributions deficiency (excess)	\$0	\$0	\$0	\$0	\$0	\$0	(\$5,000,000)	(\$5,000,000)	(\$5,000,000)
Covered payroll	\$16,813,572	\$15,604,785	\$15,115,187	\$13,865,188	\$14,277,527	\$13,051,223	\$12,592,116	\$12,033,906	\$12,009,479
Contributions as a percentage of covered payroll	17.80%	16.69%	19.42%	19.58%	13.02%	11.53%	50.84%	59.17%	55.92%

#### Notes to Schedule

Valuation date: June 30, 2021

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	15 years
Asset valuation method	5-year smoothed market
Inflation	2.30%
Salary increases	(1)
Investment rate of return	6.90% (2)
Mortality	Derived using CalPERS Membership Data
Post Retirement Benefit Increase	Contract COLA up to 2.30% until Purchasing Power Protection Allowance Floor on Purchasing Power applies.

(1) Depending on age, service and type of employment

(2) Net of pension plan investment expenses, including inflation

(3) The mortality table used was developed based on CalPERS' specific data. The table includes generational mortality improvements using the Society of Actuaries Scale 80% of scale MP 2020. For more details on this table, please refer to the November 2021 experience study report (based on CalPERS demographic data from 2001 to 2019) that can be found on the CalPERS website.

\* Fiscal year 2015 was the 1st year of implementation, therefore only eight years are shown.

# DUBLIN SAN RAMON SERVICES DISTRICT

## Required Supplementary Information For the year ended June 30, 2023

### SCHEDULE OF CHANGES IN NET OPEB LIABILITY (ASSET) AND RELATED RATIOS AGENT MULTIPLE PLAN\*

Measurement Date	6/30/17	6/30/18	6/30/19	6/30/20	6/30/21	6/30/22
<b>Total OPEB Liability</b>						
Service Cost	\$848,840	\$1,020,504	\$1,053,670	\$1,008,504	\$1,041,280	\$1,011,269
Interest	1,701,163	1,661,164	1,764,023	1,493,182	1,573,687	1,563,109
Differences between expected and actual experience	(3,586,818)	-	(4,001,696)	-	791,149	-
Changes in assumptions	4,149,122	-	(1,209,136)	-	752,348	-
Benefit payments	(1,080,081)	(1,110,367)	(1,154,397)	(1,217,291)	(1,316,018)	(1,369,742)
Changes in benefits	-	-	-	-	-	-
<b>Net change in total OPEB liability</b>	<b>2,032,226</b>	<b>1,571,301</b>	<b>(3,547,536)</b>	<b>1,284,395</b>	<b>2,842,446</b>	<b>1,204,636</b>
<b>Total OPEB liability - beginning</b>	<b>23,058,823</b>	<b>25,091,049</b>	<b>26,662,350</b>	<b>23,114,814</b>	<b>24,399,209</b>	<b>27,241,655</b>
<b>Total OPEB liability - ending (a)</b>	<b>\$25,091,049</b>	<b>\$26,662,350</b>	<b>\$23,114,814</b>	<b>\$24,399,209</b>	<b>\$27,241,655</b>	<b>\$28,446,291</b>
<b>OPEB fiduciary net position</b>						
Contributions - employer	\$1,080,081	\$1,212,732	\$1,251,832	\$1,251,832	\$897,924	
Net investment income	2,232,198	1,880,973	1,776,771	1,549,013	5,863,962	(\$4,275,538)
Administrative expense	(11,330)	(43,338)	(5,441)	(13,965)	(10,821)	(8,677)
Benefit payments, including refunds of employee contributions	(1,080,081)	(1,110,367)	(1,154,397)	(1,217,291)	(1,316,018)	(1,369,742)
<b>Net change in plan fiduciary net position</b>	<b>2,220,868</b>	<b>1,940,000</b>	<b>1,868,765</b>	<b>1,569,589</b>	<b>5,435,047</b>	<b>(5,653,957)</b>
<b>Plan fiduciary net position - beginning</b>	<b>21,139,640</b>	<b>23,360,508</b>	<b>25,300,508</b>	<b>27,169,273</b>	<b>28,738,862</b>	<b>34,173,909</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$23,360,508</b>	<b>\$25,300,508</b>	<b>\$27,169,273</b>	<b>\$28,738,862</b>	<b>\$34,173,909</b>	<b>\$28,519,952</b>
Net OPEB liability (asset) - ending (a)-(b)	\$1,730,541	\$1,361,842	(\$4,054,459)	(\$4,339,653)	(\$6,932,254)	(\$73,661)
Plan fiduciary net position as a percentage of the total OPEB liability	93%	95%	118%	118%	125%	100%
Covered-employee payroll (not based on measure of pay)	\$12,531,924	\$13,112,995	\$14,287,090	\$13,918,661	\$15,148,687	\$15,473,082
Net OPEB liability (asset) as a percentage of covered-employee payroll	13.81%	10.39%	-28.38%	-31.18%	-45.76%	-0.48%

**Notes to schedule:**

\* - Fiscal year 2018 was the first year of implementation.

# DUBLIN SAN RAMON SERVICES DISTRICT

## Required Supplementary Information For the year ended June 30, 2023

### SCHEDULE OF CONTRIBUTIONS (OPEB) Last 10 years\*

Fiscal Year Ended June 30,	2018	2019	2020	2021	2022	2023
Actuarially determined contribution	\$1,212,732	\$1,251,832	\$865,816	\$897,924	\$931,328	\$596,768
Contributions in relation to the actuarially determined contributions	1,212,732	1,251,832	1,487,795	897,924	-	(596,768)
Contribution deficiency (excess)	\$0	\$0	(\$621,979)	\$0	\$931,328	\$1,193,536
Covered-employee payroll	\$13,112,995	\$14,287,090	\$13,918,661	\$15,148,687	\$15,473,082	\$16,813,572
Contributions as a percentage of covered-employee payroll (not based on measure of pay)	9.25%	8.76%	10.69%	5.93%	0.00%	-3.55%
<b>Notes to Schedule</b>						
Valuation date:	7/1/2017	7/1/2017	6/30/2019	6/30/2019	6/30/2021	6/30/2021

Methods and assumptions used to determine contribution rates:

Actuarial Date	June 30, 2021
Actuarial Cost Method	Entry-Age Normal Cost Method
Amortization Method	30 Years Open
Asset Valuation Method	Market Value of Assets
Inflation	2.50% per year
Payroll Growth	3% per year
Investment Rate of Return	5.67%
Healthcare cost-trend rates	5.8% in 2023, stepping down to 3.9% in 2076
Retirement Age	From 50 to 75
Mortality	MacLeod Watts Scale 2022 applied generationally

\* - Fiscal year 2018 was the first year of implementation.

**SUPPLEMENTARY INFORMATION**



DUBLIN SAN RAMON SERVICES DISTRICT  
WASTEWATER OPERATIONS  
COMBINING STATEMENT OF NET POSITION  
JUNE 30, 2023

	Regional Wastewater Total	Local Wastewater Total	Allocation	Allocation OPEB Fund	Wastewater Total
<b>ASSETS</b>					
Current assets:					
Pooled cash	\$7,439,476	\$1,476,083	(\$295,467)	\$86,112	\$8,706,204
Pooled investments	94,506,734	19,046,544	-	-	113,553,278
Accounts receivable	8,038,309	447,040	355,996	822,054	9,663,399
Interest receivable	155,887	31,725	-	-	187,612
Deferred capacity reserve fees receivable	29,696	-	-	-	29,696
Prepaid expense	-	-	4,343	-	4,343
	<u>110,170,102</u>	<u>21,001,392</u>	<u>64,872</u>	<u>908,166</u>	<u>132,144,532</u>
Non-current assets:					
Investment in JPA	15,116,087	-	-	-	15,116,087
Capital assets:					
Property, plant and equipment	169,663,617	71,238,974	-	-	240,902,591
Less accumulated depreciation	<u>83,650,438</u>	<u>31,903,884</u>	<u>-</u>	<u>-</u>	<u>115,554,322</u>
Net property, plant and equipment	86,013,179	39,335,090	-	-	125,348,269
Construction in progress	<u>29,568,349</u>	<u>4,245,513</u>	<u>-</u>	<u>-</u>	<u>33,813,862</u>
	<u>115,581,528</u>	<u>43,580,603</u>	<u>-</u>	<u>-</u>	<u>159,162,131</u>
Other assets:					
Net OPEB asset	-	-	-	42,657	42,657
Deferred capacity reserves receivable - long term	<u>4,799</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,799</u>
	<u>4,799</u>	<u>-</u>	<u>-</u>	<u>42,657</u>	<u>47,456</u>
	<u>130,702,414</u>	<u>43,580,603</u>	<u>-</u>	<u>42,657</u>	<u>174,325,674</u>
	<u>240,872,516</u>	<u>64,581,995</u>	<u>64,872</u>	<u>950,823</u>	<u>306,470,206</u>
Deferred outflows of resources					
Deferred outflows pension related amounts	9,782,588	1,854,019	-	-	11,636,607
Deferred employer pension contributions	1,402,358	347,463	-	-	1,749,821
Deferred outflows OPEB related amounts	-	-	-	2,042,223	2,042,223
Deferred employer OPEB contributions	-	-	-	345,588	345,588
	<u>\$11,184,946</u>	<u>\$2,201,482</u>	<u>\$ -</u>	<u>\$2,387,811</u>	<u>\$15,774,239</u>

DUBLIN SAN RAMON SERVICES DISTRICT  
WASTEWATER OPERATIONS  
COMBINING STATEMENT OF NET POSITION  
JUNE 30, 2023

	Regional Wastewater Total	Local Wastewater Total	Allocation	Allocation OPEB Fund	Wastewater Total
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	\$2,180,600	\$26,772	\$527,649	\$ -	\$2,735,021
Contractor bonds and deposits	2,035,756	-	-	-	2,035,756
Accrued expenses	-	-	312,563	-	312,563
Accrued compensated absences	604,988	122,265	326,040	-	1,053,293
Unearned revenue	29,696	-	-	-	29,696
Total current liabilities	<u>4,851,040</u>	<u>149,037</u>	<u>1,166,252</u>	<u>-</u>	<u>6,166,329</u>
Long term liabilities:					
Net pension liability	9,550,582	2,677,353	-	-	12,227,935
DLD remediation reserve	2,147,196	-	-	-	2,147,196
Unearned revenue	4,799	-	-	-	4,799
Total long term liabilities	<u>11,702,577</u>	<u>2,677,353</u>	<u>-</u>	<u>-</u>	<u>14,379,930</u>
Total liabilities	<u>16,553,617</u>	<u>2,826,390</u>	<u>1,166,252</u>	<u>-</u>	<u>20,546,259</u>
Deferred inflows of resources					
Deferred inflows of resources - Pension	4,848,375	964,439	-	-	5,812,814
Deferred inflows of resources - OPEB	-	-	-	669,273	669,273
Total deferred inflows of resources	<u>4,848,375</u>	<u>964,439</u>	<u>-</u>	<u>669,273</u>	<u>6,482,087</u>
<b>NET POSITION</b>					
Net investment in capital assets	115,581,528	43,580,603	-	-	159,162,131
Restricted for:					
Expansion	57,606,747	9,422,778	-	-	67,029,525
OPEB	-	-	-	42,657	42,657
Unrestricted	57,467,195	9,989,267	(1,101,380)	2,626,704	68,981,786
Total net position	<u>\$230,655,470</u>	<u>\$62,992,648</u>	<u>(\$1,101,380)</u>	<u>\$2,669,361</u>	<u>\$295,216,099</u>

DUBLIN SAN RAMON SERVICES DISTRICT  
WASTEWATER OPERATIONS  
COMBINING STATEMENT OF REVENUES AND EXPENSES  
AND CHANGES IN FUND NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2023

	Regional Wastewater Total	Local Wastewater Total	Allocation	Allocation OPEB Fund	Wastewater Total
<b>OPERATING REVENUES</b>					
Wastewater service charges	\$23,669,888	\$4,568,760	\$ -	\$ -	\$28,238,648
Other revenues	7,360,907	122,045	1,284,547	-	8,767,499
<b>Total operating revenues</b>	<b>31,030,795</b>	<b>4,690,805</b>	<b>1,284,547</b>	<b>-</b>	<b>37,006,147</b>
<b>OPERATING EXPENSES</b>					
Personnel	9,553,737	2,282,139	4,356,306	(163,177)	16,029,005
Materials	4,394,428	110,394	247,419	-	4,752,241
Contractual services	13,818,774	800,587	1,098,267	-	15,717,628
Other	25,439	8,326	25,523	-	59,288
Overhead charges	2,987,554	728,281	(3,715,835)	-	-
Depreciation	3,968,009	1,364,257	-	-	5,332,266
<b>Total operating expenses</b>	<b>34,747,941</b>	<b>5,293,984</b>	<b>2,011,680</b>	<b>(163,177)</b>	<b>41,890,428</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(3,717,146)</b>	<b>(603,179)</b>	<b>(727,133)</b>	<b>163,177</b>	<b>(4,884,281)</b>
<b>NONOPERATING REVENUES</b>					
Investment income	1,030,157	199,511	-	-	1,229,668
Gain on sale of assets	3,416	21,690	-	-	25,106
Gain on investment in JPA	1,136,320	-	-	-	1,136,320
<b>Total non-operating revenues</b>	<b>2,169,893</b>	<b>221,201</b>	<b>-</b>	<b>-</b>	<b>2,391,094</b>
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS</b>	<b>(1,547,253)</b>	<b>(381,978)</b>	<b>(727,133)</b>	<b>163,177</b>	<b>(2,493,187)</b>
Non-cash contributions	-	1,240,900	-	-	1,240,900
Capital contributions - capacity reserve fees	9,945,684	1,937,841	-	-	11,883,525
Transfers in	2,100,000	2,810,736	-	-	4,910,736
Transfers (out)	(3,828,951)	(812,500)	-	-	(4,641,451)
<b>Changes in net position</b>	<b>6,669,480</b>	<b>4,794,999</b>	<b>(727,133)</b>	<b>163,177</b>	<b>10,900,523</b>
<b>TOTAL NET POSITION, BEGINNING OF YEAR</b>	<b>223,985,990</b>	<b>58,197,649</b>	<b>(374,247)</b>	<b>2,506,184</b>	<b>284,315,576</b>
<b>TOTAL NET POSITION, END OF YEAR</b>	<b>\$230,655,470</b>	<b>\$62,992,648</b>	<b>(\$1,101,380)</b>	<b>\$2,669,361</b>	<b>\$295,216,099</b>

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DUBLIN SAN RAMON SERVICES DISTRICT  
REGIONAL WASTEWATER OPERATIONS  
COMBINING STATEMENT OF NET POSITION  
JUNE 30, 2023

	Regional Wastewater Enterprise	Regional Wastewater RSF	Regional Wastewater Replacement	Regional Wastewater Expansion	Total
<b>ASSETS</b>					
Current assets:					
Pooled cash	\$839,690	\$705,701	\$2,604,506	\$3,289,579	\$7,439,476
Pooled investments	10,633,609	9,074,867	33,032,516	41,765,742	94,506,734
Accounts receivable	7,504,472	-	154,536	379,301	8,038,309
Interest receivable	18,089	15,046	53,709	69,043	155,887
Deferred capacity reserve fees receivable	-	-	8,502	21,194	29,696
Total current assets	<u>18,995,860</u>	<u>9,795,614</u>	<u>35,853,769</u>	<u>45,524,859</u>	<u>110,170,102</u>
Non-current assets:					
Investment in JPA	2,763,196	-	-	12,352,891	15,116,087
Capital assets:					
Property, plant and equipment	169,663,617	-	-	-	169,663,617
Less accumulated depreciation	<u>83,650,438</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>83,650,438</u>
Net property, plant and equipment	86,013,179	-	-	-	86,013,179
Land and construction in progress	<u>56,014</u>	<u>-</u>	<u>12,011,347</u>	<u>17,500,988</u>	<u>29,568,349</u>
Total capital assets	<u>86,069,193</u>	<u>-</u>	<u>12,011,347</u>	<u>17,500,988</u>	<u>115,581,528</u>
Other assets:					
Deferred capacity reserves receivable - long term	-	-	1,374	3,425	4,799
Total other assets	<u>-</u>	<u>-</u>	<u>1,374</u>	<u>3,425</u>	<u>4,799</u>
Total non-current assets	<u>88,832,389</u>	<u>-</u>	<u>12,012,721</u>	<u>29,857,304</u>	<u>130,702,414</u>
Total assets	<u>107,828,249</u>	<u>9,795,614</u>	<u>47,866,490</u>	<u>75,382,163</u>	<u>240,872,516</u>
Deferred outflows of resources					
Deferred outflows pension related amounts	9,782,588	-	-	-	9,782,588
Deferred employer pension contributions	<u>1,402,358</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,402,358</u>
Total deferred outflows of resources	<u>\$11,184,946</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$11,184,946</u>

DUBLIN SAN RAMON SERVICES DISTRICT  
REGIONAL WASTEWATER OPERATIONS  
COMBINING STATEMENT OF NET POSITION  
JUNE 30, 2023

	Regional Wastewater Enterprise	Regional Wastewater RSF	Regional Wastewater Replacement	Regional Wastewater Expansion	Total
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	\$1,755,654	\$1,012	\$195,384	\$228,550	\$2,180,600
Contractor bonds and deposits	2,014,497	-	-	21,259	2,035,756
Accrued compensated absences	604,988	-	-	-	604,988
Unearned revenue	-	-	8,502	21,194	29,696
Total current liabilities	<u>4,375,139</u>	<u>1,012</u>	<u>203,886</u>	<u>271,003</u>	<u>4,851,040</u>
Long term liabilities:					
Net pension liability	9,550,582	-	-	-	9,550,582
DLD remediation reserve	2,147,196	-	-	-	2,147,196
Unearned revenue	-	-	1,374	3,425	4,799
Total long term liabilities	<u>11,697,778</u>	<u>-</u>	<u>1,374</u>	<u>3,425</u>	<u>11,702,577</u>
Total liabilities	<u>16,072,917</u>	<u>1,012</u>	<u>205,260</u>	<u>274,428</u>	<u>16,553,617</u>
Deferred inflows of resources					
Deferred inflows of resources - Pension	4,848,375	-	-	-	4,848,375
Total deferred inflows of resources	<u>4,848,375</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,848,375</u>
<b>NET POSITION</b>					
Net investment in capital assets	86,069,193	-	12,011,347	17,500,988	115,581,528
Restricted for:					
Expansion	-	-	-	57,606,747	57,606,747
Unrestricted	12,022,710	9,794,602	35,649,883	-	57,467,195
Total net position	<u>\$98,091,903</u>	<u>\$9,794,602</u>	<u>\$47,661,230</u>	<u>\$75,107,735</u>	<u>\$230,655,470</u>

DUBLIN SAN RAMON SERVICES DISTRICT  
REGIONAL WASTEWATER OPERATIONS  
COMBINING STATEMENT OF REVENUES AND EXPENSES  
AND CHANGES IN FUND NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2023

	Regional Wastewater Enterprise	Regional Wastewater RSF	Regional Wastewater Replacement	Regional Wastewater Expansion	Total
<b>OPERATING REVENUES</b>					
Wastewater service charges	\$23,669,888	\$ -	\$ -	\$ -	\$23,669,888
Other revenues	5,945,339	-	1,364,011	51,557	7,360,907
<b>Total operating revenues</b>	<b>29,615,227</b>	<b>-</b>	<b>1,364,011</b>	<b>51,557</b>	<b>31,030,795</b>
<b>OPERATING EXPENSES</b>					
Personnel	9,553,737	-	-	-	9,553,737
Materials	4,394,428	-	-	-	4,394,428
Contractual services	9,958,497	-	279,601	3,580,676	13,818,774
Other	12,275	13,164	-	-	25,439
Overhead charges	2,987,554	-	-	-	2,987,554
Depreciation	3,968,009	-	-	-	3,968,009
<b>Total operating expenses</b>	<b>30,874,500</b>	<b>13,164</b>	<b>279,601</b>	<b>3,580,676</b>	<b>34,747,941</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(1,259,273)</b>	<b>(13,164)</b>	<b>1,084,410</b>	<b>(3,529,119)</b>	<b>(3,717,146)</b>
<b>NONOPERATING REVENUES</b>					
Investment income	107,988	100,079	364,705	457,385	1,030,157
Gain on sale of assets	3,416	-	-	-	3,416
Gain on investment in JPA	207,695	-	-	928,625	1,136,320
<b>Total non-operating revenues</b>	<b>319,099</b>	<b>100,079</b>	<b>364,705</b>	<b>1,386,010</b>	<b>2,169,893</b>
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS</b>	<b>(940,174)</b>	<b>86,915</b>	<b>1,449,115</b>	<b>(2,143,109)</b>	<b>(1,547,253)</b>
Capital contributions - capacity reserve fees	-	-	2,701,745	7,243,939	9,945,684
Residual equity transfer	147,274	-	(147,274)	-	-
Transfers in	-	-	2,100,000	-	2,100,000
Transfers (out)	(1,830,715)	-	(1,998,236)	-	(3,828,951)
<b>Changes in net position</b>	<b>(2,623,615)</b>	<b>86,915</b>	<b>4,105,350</b>	<b>5,100,830</b>	<b>6,669,480</b>
<b>TOTAL NET POSITION, BEGINNING OF YEAR</b>	<b>100,715,518</b>	<b>9,707,687</b>	<b>43,555,880</b>	<b>70,006,905</b>	<b>223,985,990</b>
<b>TOTAL NET POSITION, END OF YEAR</b>	<b>\$98,091,903</b>	<b>\$9,794,602</b>	<b>\$47,661,230</b>	<b>\$75,107,735</b>	<b>\$230,655,470</b>

DUBLIN SAN RAMON SERVICES DISTRICT  
LOCAL WASTEWATER OPERATIONS  
COMBINING STATEMENT OF NET POSITION  
JUNE 30, 2023

	Local Wastewater Enterprise	Local Wastewater RSF	Local Wastewater Replacement	Local Wastewater Expansion	Total
<b>ASSETS</b>					
Current assets:					
Pooled cash	\$327,020	\$44,816	(\$1,132,162)	\$2,236,409	\$1,476,083
Pooled investments	4,291,878	661,931	6,918,252	7,174,483	19,046,544
Accounts receivable	447,040	-	-	-	447,040
Interest receivable	7,541	1,097	11,201	11,886	31,725
Total current assets	<u>5,073,479</u>	<u>707,844</u>	<u>5,797,291</u>	<u>9,422,778</u>	<u>21,001,392</u>
Non-current assets:					
Capital assets:					
Property, plant and equipment	71,238,974	-	-	-	71,238,974
Less accumulated depreciation	<u>31,903,884</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,903,884</u>
Net property, plant and equipment	39,335,090	-	-	-	39,335,090
Land and construction in progress	<u>850,893</u>	<u>-</u>	<u>2,373,432</u>	<u>1,021,188</u>	<u>4,245,513</u>
Total capital assets	<u>40,185,983</u>	<u>-</u>	<u>2,373,432</u>	<u>1,021,188</u>	<u>43,580,603</u>
Other assets:					
Due from Other Funds - Long term	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total non-current assets	<u>40,185,983</u>	<u>-</u>	<u>2,373,432</u>	<u>1,021,188</u>	<u>43,580,603</u>
Total assets	<u>45,259,462</u>	<u>707,844</u>	<u>8,170,723</u>	<u>10,443,966</u>	<u>64,581,995</u>
Deferred outflows of resources					
Deferred outflows pension related amounts	1,854,019	-	-	-	1,854,019
Deferred employer pension contributions	<u>347,463</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>347,463</u>
Total deferred outflows of resources	<u>2,201,482</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,201,482</u>
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	25,760	1,012	-	-	26,772
Accrued compensated absences	<u>122,265</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>122,265</u>
Total current liabilities	<u>148,025</u>	<u>1,012</u>	<u>-</u>	<u>-</u>	<u>149,037</u>
Long term liabilities:					
Due to Other Funds - Long term	-	-	-	-	-
Net pension liability	<u>2,677,353</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,677,353</u>
Total long term liabilities	<u>2,677,353</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,677,353</u>
Total liabilities	<u>2,825,378</u>	<u>1,012</u>	<u>-</u>	<u>-</u>	<u>2,826,390</u>
Deferred inflows of resources					
Deferred inflows pension related amounts	<u>964,439</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>964,439</u>
Total deferred inflows of resources	<u>964,439</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>964,439</u>
<b>NET POSITION</b>					
Net investment in capital assets	40,185,983	-	2,373,432	1,021,188	43,580,603
Restricted for:					
Expansion	-	-	-	9,422,778	9,422,778
Unrestricted	<u>3,485,144</u>	<u>706,832</u>	<u>5,797,291</u>	<u>-</u>	<u>9,989,267</u>
Total net position	<u>\$43,671,127</u>	<u>\$706,832</u>	<u>\$8,170,723</u>	<u>\$10,443,966</u>	<u>\$62,992,648</u>



DUBLIN SAN RAMON SERVICES DISTRICT  
 LOCAL WASTEWATER OPERATIONS  
 COMBINING STATEMENT OF REVENUES AND EXPENSES  
 AND CHANGES IN FUND NET POSITION  
 FOR THE YEAR ENDED JUNE 30, 2023

	Local Wastewater Enterprise	Local Wastewater RSF	Local Wastewater Replacement	Local Wastewater Expansion	Total
<b>OPERATING REVENUES</b>					
Wastewater service charges	\$4,568,760	\$ -	\$ -	\$ -	\$4,568,760
Other revenues	122,045	-	-	-	122,045
Total operating revenues	<u>4,690,805</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,690,805</u>
<b>OPERATING EXPENSES</b>					
Personnel	2,282,139	-	-	-	2,282,139
Materials	110,394	-	-	-	110,394
Contractual services	244,921	-	555,666	-	800,587
Other	(4,838)	13,164	-	-	8,326
Overhead charges	728,281	-	-	-	728,281
Depreciation	1,364,257	-	-	-	1,364,257
Total operating expenses	<u>4,725,154</u>	<u>13,164</u>	<u>555,666</u>	<u>-</u>	<u>5,293,984</u>
OPERATING INCOME (LOSS)	<u>(34,349)</u>	<u>(13,164)</u>	<u>(555,666)</u>	<u>-</u>	<u>(603,179)</u>
<b>NONOPERATING REVENUES</b>					
Investment income	48,595	7,305	64,516	79,095	199,511
Gain on sale of assets	21,690	-	-	-	21,690
Total non-operating revenues	<u>70,285</u>	<u>7,305</u>	<u>64,516</u>	<u>79,095</u>	<u>221,201</u>
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS</b>					
	35,936	(5,859)	(491,150)	79,095	(381,978)
Non-cash contributions	1,240,900	-	-	-	1,240,900
Capital contributions - capacity reserve fees	-	-	1,525,846	411,995	1,937,841
Residual equity transfer	973,031	-	(973,031)	-	-
Transfers in	-	-	2,798,236	12,500	2,810,736
Transfers (out)	(800,000)	-	(12,500)	-	(812,500)
Changes in net position	<u>1,449,867</u>	<u>(5,859)</u>	<u>2,847,401</u>	<u>503,590</u>	<u>4,794,999</u>
TOTAL NET POSITION, BEGINNING OF YEAR	<u>42,221,260</u>	<u>712,691</u>	<u>5,323,322</u>	<u>9,940,376</u>	<u>58,197,649</u>
TOTAL NET POSITION, END OF YEAR	<u>\$43,671,127</u>	<u>\$706,832</u>	<u>\$8,170,723</u>	<u>\$10,443,966</u>	<u>\$62,992,648</u>

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DUBLIN SAN RAMON SERVICES DISTRICT  
WATER OPERATIONS  
COMBINING STATEMENT OF NET POSITION  
JUNE 30, 2023

	Water Total	Dougherty Valley Asmnt Dist	Allocation	Allocation OPEB Fund	Total
<b>ASSETS</b>					
<b>Current assets:</b>					
Pooled cash	\$7,817,682	\$18,751	(\$239,324)	(\$213,454)	\$7,383,655
Pooled investments	99,695,423	298,937	-	-	99,994,360
Restricted Cash - Debt Service Fund	855	-	-	-	855
Accounts receivable	9,976,658	-	258,744	597,484	10,832,886
Interest receivable	171,292	1,550	-	-	172,842
Prepaid expenses	-	-	3,157	-	3,157
<b>Total current assets</b>	<b>117,661,910</b>	<b>319,238</b>	<b>22,577</b>	<b>384,030</b>	<b>118,387,755</b>
<b>Non-current assets:</b>					
Net OPEB asset	-	-	-	31,004	31,004
Investment in JPA	38,969,882	-	-	-	38,969,882
<b>Capital assets:</b>					
Property, plant and equipment	181,001,583	-	-	-	181,001,583
Less accumulated depreciation	73,502,945	-	-	-	73,502,945
<b>Net property, plant and equipment</b>	<b>107,498,638</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>107,498,638</b>
Land and construction in progress	35,919,233	-	-	-	35,919,233
<b>Total capital assets</b>	<b>143,417,871</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>143,417,871</b>
<b>Total non-current assets</b>	<b>182,387,753</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>182,418,757</b>
<b>Total assets</b>	<b>300,049,663</b>	<b>319,238</b>	<b>22,577</b>	<b>415,034</b>	<b>300,806,512</b>
<b>Deferred outflows of resources</b>					
Deferred outflows pension related amounts	8,161,112	-	-	-	8,161,112
Deferred employer pension contributions	1,242,908	-	-	-	1,242,908
Deferred outflows OPEB related amounts	-	-	-	1,484,323	1,484,323
Deferred employer OPEB contributions	-	-	-	251,180	251,180
<b>Total deferred outflows of resources</b>	<b>\$9,404,020</b>	<b>\$-</b>	<b>\$-</b>	<b>\$1,735,503</b>	<b>\$11,139,523</b>

DUBLIN SAN RAMON SERVICES DISTRICT  
WATER OPERATIONS  
COMBINING STATEMENT OF NET POSITION  
JUNE 30, 2023

	Water Total	Dougherty Valley Asmnt Dist	Allocation	Allocation OPEB Fund	Total
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	\$5,292,639	\$ -	\$ 383,504	\$ -	\$5,676,143
Contractor bonds and deposits	2,490,092	-	-	-	2,490,092
Accrued expenses	-	-	227,176	-	227,176
Accrued compensated absences	453,085	-	236,972	-	690,057
Interest payable	579,297	-	-	-	579,297
Net pension liability	7,253,875	-	-	-	7,253,875
Bonds payable - current portion	500,000	-	-	-	500,000
<b>Total current liabilities</b>	<b>16,568,988</b>	<b>-</b>	<b>847,652</b>	<b>-</b>	<b>17,416,640</b>
Long term liabilities:					
Bonds payable - less current portion	30,895,000	-	-	-	30,895,000
Unearned revenue	357,398	-	-	-	357,398
<b>Total long term liabilities</b>	<b>31,252,398</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>31,252,398</b>
<b>Total liabilities</b>	<b>47,821,386</b>	<b>-</b>	<b>847,652</b>	<b>-</b>	<b>48,669,038</b>
Deferred inflows of resources					
Deferred inflows of resources - Pension	3,925,853	-	-	-	3,925,853
Deferred inflows of resources - OPEB	-	-	-	486,439	486,439
<b>Total deferred inflows of resources</b>	<b>3,925,853</b>	<b>-</b>	<b>-</b>	<b>486,439</b>	<b>4,412,292</b>
<b>NET POSITION</b>					
Net investment in capital assets	112,022,871	-	-	-	112,022,871
Restricted for:					
Expansion	90,542,069	-	-	-	90,542,069
Assessment district	-	319,238	-	-	319,238
Debt service	855	-	-	-	855
OPEB	-	-	-	31,004	31,004
Unrestricted	55,140,649	-	(825,075)	1,633,094	55,948,668
<b>Total net position</b>	<b>\$257,706,444</b>	<b>\$319,238</b>	<b>(\$825,075)</b>	<b>\$1,664,098</b>	<b>\$258,864,705</b>

DUBLIN SAN RAMON SERVICES DISTRICT  
WATER OPERATIONS  
COMBINING STATEMENT OF REVENUES AND EXPENSES  
AND CHANGES IN FUND NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2023

	Water Total	Dougherty Valley Asmnt Dist	Allocation	Allocation OPEB Fund	Total
<b>OPERATING REVENUES</b>					
Water sales	\$36,170,972	\$ -	\$ -	\$ -	\$36,170,972
Other revenues	3,650,185	1,975,061	933,631	-	6,558,877
Total operating revenues	<u>39,821,157</u>	<u>1,975,061</u>	<u>933,631</u>	<u>-</u>	<u>42,729,849</u>
<b>OPERATING EXPENSES</b>					
Personnel	8,139,791	-	3,166,240	(118,600)	11,187,431
Materials	18,908,336	-	179,829	-	19,088,165
Contractual services	7,053,303	1,871,135	798,239	-	9,722,677
Other	152,049	-	18,551	-	170,600
Overhead charges	2,700,734	-	(2,700,734)	-	-
Depreciation	3,484,955	-	-	-	3,484,955
Total operating expenses	<u>40,439,168</u>	<u>1,871,135</u>	<u>1,462,125</u>	<u>(118,600)</u>	<u>43,653,828</u>
OPERATING INCOME (LOSS)	<u>(618,011)</u>	<u>103,926</u>	<u>(528,494)</u>	<u>118,600</u>	<u>(923,979)</u>
<b>NONOPERATING REVENUES (EXPENSE)</b>					
Investment income	1,159,485	11,316	-	-	1,170,801
Gain on sale of assets	19,180	-	-	-	19,180
Gain on investment in JPA	163,622	-	-	-	163,622
Interest (expense)	<u>(1,392,292)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,392,292)</u>
Total non-operating revenues (expenses), net	<u>(50,005)</u>	<u>11,316</u>	<u>-</u>	<u>-</u>	<u>(38,689)</u>
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS</b>					
	(668,016)	115,242	(528,494)	118,600	(962,668)
Non-cash contributions	1,855,400	-	-	-	1,855,400
Capital contributions - capacity reserve fees	8,284,109	-	-	-	8,284,109
Transfers in	7,356,471	-	-	-	7,356,471
Transfers (out)	<u>(7,625,756)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,625,756)</u>
Changes in net position	9,202,208	115,242	(528,494)	118,600	8,907,556
TOTAL NET POSITION, BEGINNING OF YEAR	<u>248,504,236</u>	<u>203,996</u>	<u>(296,581)</u>	<u>1,545,498</u>	<u>249,957,149</u>
NET POSITION, END OF YEAR	<u>\$257,706,444</u>	<u>\$319,238</u>	<u>(\$825,075)</u>	<u>\$1,664,098</u>	<u>\$258,864,705</u>

DUBLIN SAN RAMON SERVICES DISTRICT  
WATER FUNDS  
COMBINING STATEMENT OF NET POSITION  
JUNE 30, 2023

	Water Enterprise	Water RSF	Water Replacement	Water Expansion	Total
<b>ASSETS</b>					
Current assets:					
Pooled cash	\$499,264	\$1,166,174	\$2,345,068	\$3,807,176	\$7,817,682
Pooled investments	6,405,789	14,776,019	29,936,385	48,577,230	99,695,423
Restricted cash - debt service fund	-	-	-	855	855
Accounts receivable	9,847,368	-	35,557	93,733	9,976,658
Interest receivable	14,470	25,688	49,747	81,387	171,292
Total current assets	<u>16,766,891</u>	<u>15,967,881</u>	<u>32,366,757</u>	<u>52,560,381</u>	<u>117,661,910</u>
Non-current assets:					
Investment in JPA	-	-	-	38,969,882	38,969,882
Capital assets:					
Property, plant and equipment	181,001,583	-	-	-	181,001,583
Less accumulated depreciation	73,502,945	-	-	-	73,502,945
Net property, plant and equipment	107,498,638	-	-	-	107,498,638
Land and construction in progress	6,806,038	-	25,043,133	4,070,062	35,919,233
Total capital assets	<u>114,304,676</u>	<u>-</u>	<u>25,043,133</u>	<u>4,070,062</u>	<u>143,417,871</u>
Total non-current assets	<u>114,304,676</u>	<u>-</u>	<u>25,043,133</u>	<u>43,039,944</u>	<u>182,387,753</u>
Total assets	<u>131,071,567</u>	<u>15,967,881</u>	<u>57,409,890</u>	<u>95,600,325</u>	<u>300,049,663</u>
Deferred outflows of resources					
Deferred outflows pension related amounts	8,161,112	-	-	-	8,161,112
Deferred employer pension contributions	1,242,908	-	-	-	1,242,908
Total deferred outflows of resources	<u>9,404,020</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,404,020</u>
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	4,970,573	8,093	263,329	50,644	5,292,639
Contractor bonds and deposits	2,490,092	-	-	-	2,490,092
Accrued compensated absences	453,085	-	-	-	453,085
Interest Payable	-	-	-	579,297	579,297
Net pension liability	7,253,875	-	-	-	7,253,875
Bonds payable - current portion	-	-	-	500,000	500,000
Total current liabilities	<u>15,167,625</u>	<u>8,093</u>	<u>263,329</u>	<u>1,129,941</u>	<u>16,568,988</u>
Long term liabilities:					
Bonds payable - less current portion	-	-	-	30,895,000	30,895,000
Unearned revenue	-	-	-	357,398	357,398
Total long term liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,252,398</u>	<u>31,252,398</u>
Total liabilities	<u>15,167,625</u>	<u>8,093</u>	<u>263,329</u>	<u>32,382,339</u>	<u>47,821,386</u>
Deferred inflows of resources					
Deferred inflows of resources - Pension	3,925,853	-	-	-	3,925,853
Total deferred inflows of resources	<u>3,925,853</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,925,853</u>
<b>NET POSITION</b>					
Net investment in capital assets	114,304,676	-	25,043,133	(27,324,938)	112,022,871
Restricted for:					
Expansion	-	-	-	90,542,069	90,542,069
Debt service	-	-	-	855	855
Unrestricted	7,077,433	15,959,788	32,103,428	-	55,140,649
Total net position	<u>\$121,382,109</u>	<u>\$15,959,788</u>	<u>\$57,146,561</u>	<u>\$63,217,986</u>	<u>\$257,706,444</u>

DUBLIN SAN RAMON SERVICES DISTRICT  
WATER FUNDS  
COMBINING STATEMENT OF REVENUES AND EXPENSES  
AND CHANGES IN FUND NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2023

	Water Enterprise	Water RSF	Water Replacement	Water Expansion	Total
<b>OPERATING REVENUES</b>					
Water sales	\$36,170,972	\$ -	\$ -	\$ -	\$36,170,972
Other revenues	2,633,612	999,772	8,601	8,200	3,650,185
Total operating revenues	<u>38,804,584</u>	<u>999,772</u>	<u>8,601</u>	<u>8,200</u>	<u>39,821,157</u>
<b>OPERATING EXPENSES</b>					
Personnel	8,139,791	-	-	-	8,139,791
Materials	18,908,336	-	-	-	18,908,336
Contractual services	6,135,669	-	43,351	874,283	7,053,303
Other	(3,456)	155,505	-	-	152,049
Overhead charges	2,700,734	-	-	-	2,700,734
Depreciation	3,484,955	-	-	-	3,484,955
Total operating expenses	<u>39,366,029</u>	<u>155,505</u>	<u>43,351</u>	<u>874,283</u>	<u>40,439,168</u>
OPERATING INCOME (LOSS)	<u>(561,445)</u>	<u>844,267</u>	<u>(34,750)</u>	<u>(866,083)</u>	<u>(618,011)</u>
<b>NONOPERATING REVENUES (EXPENSE)</b>					
Investment income	112,541	174,580	333,076	539,288	1,159,485
Gain on sale of assets	19,180	-	-	-	19,180
Gain on investment in JPA	-	-	-	163,622	163,622
Interest expense	-	-	-	(1,392,292)	(1,392,292)
Total non-operating revenues (expenses)	<u>131,721</u>	<u>174,580</u>	<u>333,076</u>	<u>(689,382)</u>	<u>(50,005)</u>
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS</b>					
	(429,724)	1,018,847	298,326	(1,555,465)	(668,016)
Non-cash contributions	1,855,400	-	-	-	1,855,400
Capital contributions - capacity reserve fees	-	-	2,322,952	5,961,157	8,284,109
Residual equity transfer	268,403	-	(268,403)	-	-
Transfers in	1,076,471	-	6,280,000	-	7,356,471
Transfers (out)	(6,280,000)	(1,345,756)	-	-	(7,625,756)
Changes in net position	<u>(3,509,450)</u>	<u>(326,909)</u>	<u>8,632,875</u>	<u>4,405,692</u>	<u>9,202,208</u>
TOTAL NET POSITION, BEGINNING OF YEAR	<u>124,891,559</u>	<u>16,286,697</u>	<u>48,513,686</u>	<u>58,812,294</u>	<u>248,504,236</u>
TOTAL NET POSITION, END OF YEAR	<u>\$121,382,109</u>	<u>\$15,959,788</u>	<u>\$57,146,561</u>	<u>\$63,217,986</u>	<u>\$257,706,444</u>

DUBLIN SAN RAMON SERVICES DISTRICT  
ALLOCATIONS  
COMBINING STATEMENT OF NET POSITION  
JUNE 30, 2023

	Administrative Cost Center	OPEB Fund	Total
<b>ASSETS</b>			
Current assets:			
Pooled cash	(\$534,791)	(\$127,342)	(\$662,133)
Accounts receivable	614,740	1,419,538	2,034,278
Prepaid expense	7,500	-	7,500
Total current assets	<u>87,449</u>	<u>1,292,196</u>	<u>1,379,645</u>
Other assets:			
Net OPEB asset	-	73,661	73,661
Total assets	<u>87,449</u>	<u>1,365,857</u>	<u>1,453,306</u>
Deferred outflows of resources			
Deferred outflows OPEB related amounts	-	3,526,546	3,526,546
Deferred employer OPEB contributions	-	596,768	596,768
Total deferred outflows of resources	<u>-</u>	<u>4,123,314</u>	<u>4,123,314</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	911,153	-	911,153
Accrued expenses	539,739	-	539,739
Accrued compensated absences	563,012	-	563,012
Total current liabilities	<u>2,013,904</u>	<u>-</u>	<u>2,013,904</u>
Total liabilities	<u>2,013,904</u>	<u>-</u>	<u>2,013,904</u>
Deferred inflows of resources			
Deferred inflows of resources - OPEB	-	1,155,712	1,155,712
Total deferred inflows of resources	<u>-</u>	<u>1,155,712</u>	<u>1,155,712</u>
<b>NET POSITION</b>			
Restricted	-	73,661	73,661
Unrestricted	(1,926,455)	4,259,798	2,333,343
Total net position	<u>(\$1,926,455)</u>	<u>\$4,333,459</u>	<u>\$2,407,004</u>



DUBLIN SAN RAMON SERVICES DISTRICT  
 ALLOCATIONS  
 COMBINING STATEMENT OF REVENUES AND EXPENSES  
 AND CHANGES IN FUND NET POSITION  
 FOR THE YEAR ENDED JUNE 30, 2023

	Administrative Cost Center	OPEB Fund	Total
OPERATING REVENUES			
Other revenues	\$2,218,178	\$ -	\$2,218,178
Total operating revenues	<u>2,218,178</u>	<u>-</u>	<u>2,218,178</u>
OPERATING EXPENSES			
Personnel	7,522,546	(281,777)	7,240,769
Materials	427,248	-	427,248
Contractual services	1,896,506	-	1,896,506
Other	44,074	-	44,074
Overhead charges	(6,416,569)	-	(6,416,569)
Total operating expenses	<u>3,473,805</u>	<u>(281,777)</u>	<u>3,192,028</u>
OPERATING INCOME	<u>(1,255,627)</u>	<u>281,777</u>	<u>(973,850)</u>
Changes in net position	<u>(1,255,627)</u>	<u>281,777</u>	<u>(973,850)</u>
TOTAL NET POSITION, BEGINNING OF YEAR	<u>(670,828)</u>	<u>4,051,682</u>	<u>3,380,854</u>
TOTAL NET POSITION, END OF YEAR	<u><u>(\$1,926,455)</u></u>	<u><u>\$4,333,459</u></u>	<u><u>\$2,407,004</u></u>

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# STATISTICAL SECTION

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# STATISTICAL OVERVIEW

The statistics in this section provide context to help readers understand what the financial statements, note disclosures, and required supplementary information reveal about the District's overall financial health. In contrast to the Financial Section, information in the Statistical Section is not subject to an independent audit.



Construction continues on the Boulevard development on the former site of Parks Reserved Forces Training Area in Dublin.

## DEMOGRAPHIC AND ECONOMIC INFORMATION

These schedules offer demographic and economic indicators to help the reader understand the environment in which the District's financial activities take place.

1. City of Dublin principal employers
2. Demographic and economic indicators

## FINANCIAL TRENDS

These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

1. Changes in net position
2. Total revenue sources
3. Total expense sources
4. Net position by component

## REVENUE CAPACITY

These schedules contain information to help the reader assess the District's most significant local revenue sources.

1. Water by type of customer
2. Principal customers
3. Water and sewer rates

## DEBT CAPACITY

These schedules present information to help the reader assess the affordability of the District's outstanding debt and its ability to issue additional debt in the future.

1. Pledged revenue coverage
2. Outstanding debt by type

## OPERATING INFORMATION

These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and activities it performs.

1. Wastewater average daily effluent flow
2. Water consumption and connections
3. Authorized full-time equivalent District employees by function/program
4. Capital assets by function/program

**Sources:** Unless otherwise noted, the information in these schedules is derived from the *Annual Comprehensive Financial Report* for the relevant year.

**CITY OF DUBLIN PRINCIPAL EMPLOYERS**

Fiscal Year 2022 and Nine Years Prior

Employer	2013		2022 <sup>1</sup>	
	Employees	Rank	Employees	Rank
U.S. Government & Federal Correctional Institution	2,100	1	1,589	1
County of Alameda	465	5	1,307	2
Dublin Unified School District	755	2	1,200	3
Ross Store Headquarters	N/A		1,160	4
Patelco Credit Union	N/A		831	5
Zeiss Meditec	535	4	692	6
Kaiser Permanente	N/A		601	7
Target Corporation	N/A		344	8
Snowflake, Inc.	N/A		250	9
TriNet	N/A		215	10
City of Dublin	208	9	N/A	
SAP (Formerly: Sybase, Inc.)	604	3	N/A	
Micro Dental Laboratories	242	8	N/A	
Safeway	284	7	N/A	
Taleo	N/A		N/A	
Franklin Templeton Investments	200	10	N/A	
Total	5,393		8,189	

Source: <sup>1</sup> City of Dublin, Annual Comprehensive Financial Report, Fiscal Year ended June 30, 2022

**CITY OF SAN RAMON PRINCIPAL EMPLOYERS**

Fiscal Year 2022 and Nine Years Prior

Employer	2013		2022 <sup>1</sup>	
	Employees	Rank	Employees	Rank
PG&E	740	6	2,398	1
Chevron USA, Inc.	4,200	1	2,000	2
Bank of the West	1,600	2	1,600	3
Robert Half International Inc.	1,230	4	1,285	4
Accenture LLP	750	5	750	5
San Ramon Regional Medical Center	500	7	650	6
Primed Management Consulting	413	9	453	7
Five9, Inc.	N/A		392	8
United Parcel Service	N/A		315	9
Old Public Home Protection	N/A		308	10
AT&T	1,491	3	N/A	
General Electric Company	500	7	N/A	
Marriot	368	10	N/A	
Total	11,792		10,151	

Source: <sup>1</sup> City of San Ramon, Annual Comprehensive Financial Report, Fiscal Year 2021-2022

DEMOGRAPHIC AND ECONOMIC INDICATORS

Last Ten Calendar Years

Calendar Year	City of Dublin Population <sup>2,4</sup>	Alameda County Personal Income <sup>1</sup>	Alameda County Per Capita Personal Income <sup>1</sup>	City of Dublin Unemployment Rate <sup>3</sup>
2014	53,462	93,163,772	56,261	3.70%
2015	55,844	102,412,663	61,879	2.90%
2016	57,349	109,572,257	67,356	2.60%
2017	59,686	116,802,392	71,282	2.70%
2018	63,241	125,583,845	76,644	2.50%
2019	64,577	131,535,494	81,171	2.10%
2020	65,716	144,751,041	87,078	7.40%
2021	64,695	n-a <sup>4</sup>	n-a <sup>4</sup>	4.00%
2022	72,932	n-a <sup>4</sup>	n-a <sup>4</sup>	2.40%
2023	71,750	n-a <sup>4</sup>	n-a <sup>4</sup>	3.80%

Calendar Year	City of San Ramon Population <sup>2</sup>	Contra Costa County Personal Income <sup>1</sup>	Contra Costa County Per Capita Personal Income <sup>1</sup>	City of San Ramon Unemployment Rate <sup>3</sup>
2014	77,270	70,278,089	63,752	4.10%
2015	77,470	76,805,095	66,348	3.30%
2016	78,363	81,451,804	67,356	2.90%
2017	80,550	86,986,057	76,527	3.00%
2018	82,643	91,653,896	82,506	2.50%
2019	83,957	97,550,344	85,324	2.20%
2020	83,118	106,318,748	92,264	7.30%
2021	83,863	n-a <sup>4</sup>	n-a <sup>4</sup>	4.00%
2022	83,820	n-a <sup>4</sup>	n-a <sup>4</sup>	2.40%
2023	82,870	n-a <sup>4</sup>	n-a <sup>4</sup>	3.80%

Sources:

- <sup>1</sup> U.S. Department of Commerce, Bureau of Economic Analysis, "CAINC1 Personal Income Summary" midyear population estimates  
Last updated: November 16, 2022-- new statistics for 2021; revised statistics for 2010-2020
- <sup>2</sup> State of California, Department of Finance, "E-5 Population and Housing Estimates for Cities, Counties, and the State, January 2021-2022, with 2020 Benchmark"  
- Released: May 2022
- <sup>3</sup> State of California, Employment Development Department, Unemployment Rates (Labor Force) (one-year lag)  
- Last updated: Unemployment rates as of September 2022
- <sup>4</sup> As of October 31, 2023, data for 2021, 2022 and 2023 not yet available

## FINANCIAL TRENDS

### CHANGES IN NET POSITION

Last 10 Fiscal Years

(Accrual Basis of Accounting. Amounts expressed in thousands)

	2014	2015	2016	2017	2018
<b>Operating Revenues</b>					
Water	\$30,576	\$29,043	\$29,627	\$35,293	\$36,063
Wastewater	22,904	24,333	24,804	24,316	26,199
Total operating revenues	\$53,480	\$53,376	\$54,431	\$59,609	\$62,261
<b>Operating Expenses</b>					
Water	30,994	27,486	26,147	37,635	39,012
Wastewater	28,800	28,754	29,609	31,435	31,767
Total operating expenses	\$59,794	\$56,240	\$55,756	\$69,070	\$70,779
<b>Net Operating Revenues (Expenses)</b>	(\$6,314)	(\$2,864)	(\$1,325)	(\$9,461)	(\$8,518)
<b>Non-Operating Revenues (Expenses)</b>					
Interest earnings	1,376	958	1,639	354	696
Interest expense	(2,470)	(2,362)	(1,929)	(1,918)	(1,712)
Non-operating revenue (expenses)	0	0	48	(37)	652
Non-cash contributions	4,735	4,983	1,461	4,485	982
Capital contributions	13,094	29,905	34,462	20,330	29,944
Total non-operating revenues (expenses)	\$16,735	\$33,484	\$35,681	\$23,215	\$30,562
<b>Change in Net Position</b>	\$10,421	\$30,620	\$34,356	\$13,754	\$22,044

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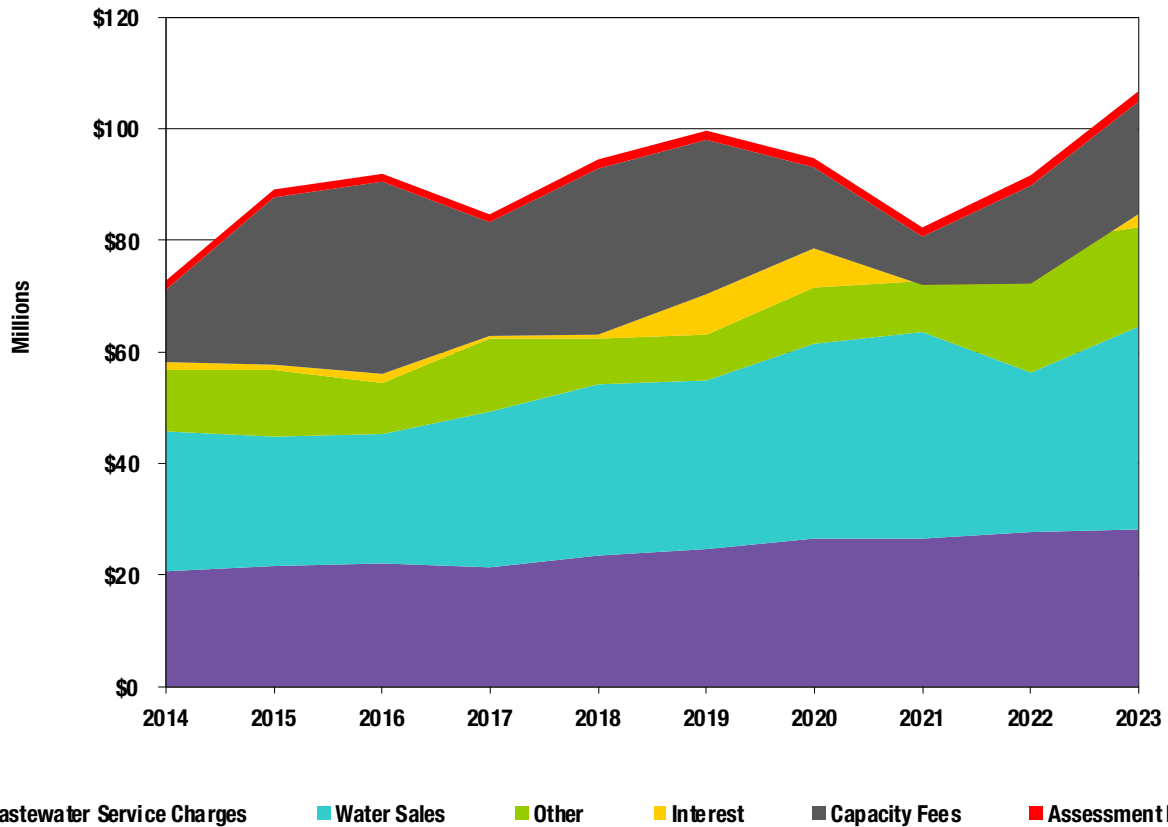


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	2019	2020	2021	2022	2023
<b>Operating Revenues</b>					
Water	\$35,277	42,487	41,249	43,167	42,730
Wastewater	27,107	28,917	28,962	32,586	37,006
Total operating revenues	\$62,384	\$71,404	\$70,211	\$75,752	\$79,736
<b>Operating Expenses</b>					
Water	37,438	46,278	39,293	38,487	43,654
Wastewater	36,093	37,107	33,381	32,167	41,890
Total operating expenses	\$73,530	\$83,385	\$72,674	\$70,654	\$85,544
<b>Net Operating Revenues (Expenses)</b>	(\$11,146)	(\$11,982)	(\$2,463)	\$5,099	(\$5,808)
<b>Non-Operating Revenues (Expenses)</b>					
Interest earnings	7,137	7,103	(663)	(7,102)	2,400
Interest expense	(1,467)	(1,454)	(1,438)	(1,416)	-1,392
Non-operating revenue (expenses)	6	7	1,270	1,633	1,344
Non-cash contributions	2,360	1,535	2,802	3,829	3,096
Capital contributions	27,667	14,632	8,749	17,529	20,168
Total non-operating revenues (expenses)	\$35,703	\$21,823	\$10,719	\$14,473	\$25,616
<b>Change in Net Position</b>	\$24,557	\$9,841	\$8,256	\$19,571	\$19,808

TOTAL REVENUE SOURCES

Last Ten Fiscal Years

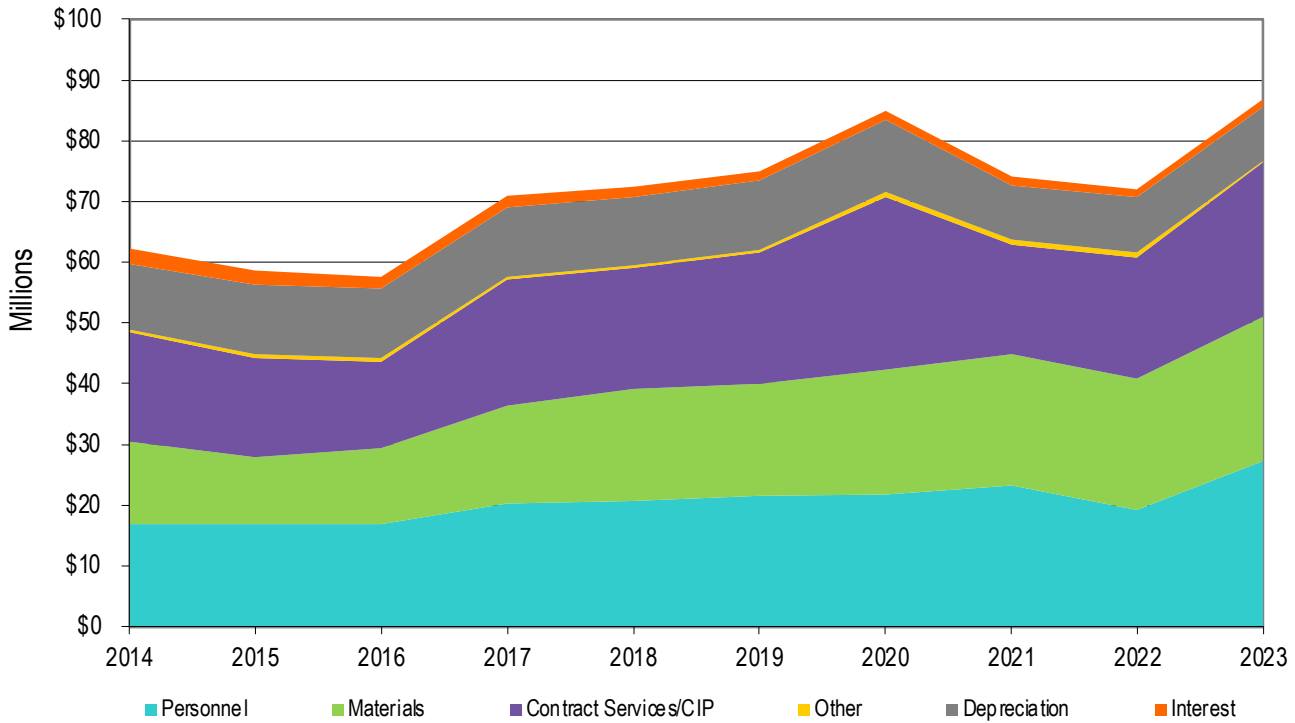


Fiscal Year Ending	Total	Wastewater Service Charges	Water Sales	Other	Interest	Capacity Fees	Assessment District
2014	72,685,508	20,772,099	24,992,374	10,945,880	1,376,221	13,093,842	1,505,092
2015	89,223,380	21,547,608	23,186,190	12,083,855	958,042	29,905,253	1,542,432
2016	92,041,190	22,092,217	23,280,944	9,019,081	1,639,420	34,462,453	1,547,074
2017	84,741,940	21,408,029	27,831,941	13,255,892	354,329	20,330,328	1,561,421
2018	94,534,991	23,478,551	30,651,524	8,186,244	695,673	29,944,208	1,578,791
2019	99,554,176	24,540,413	30,452,244	8,143,805	7,136,641	27,667,384	1,613,689
2020	94,680,267	26,483,936	34,854,618	10,120,402	7,102,863	14,631,802	1,486,646
2021	82,367,742	26,415,616	37,188,141	9,084,227	(663,326)	8,748,665	1,594,419
2022	91,640,949	27,795,077	28,458,312	23,188,523	(7,102,151)	17,528,816	1,772,372
2023	106,744,628	28,238,648	36,170,973	17,791,843	2,400,469	20,167,634	1,975,061

Source: Dublin San Ramon Services District audited financial statements

**TOTAL EXPENSES SOURCES**

Last Ten Fiscal Years



**EXPENSES FOR FISCAL YEARS 2014 THROUGH 2023**

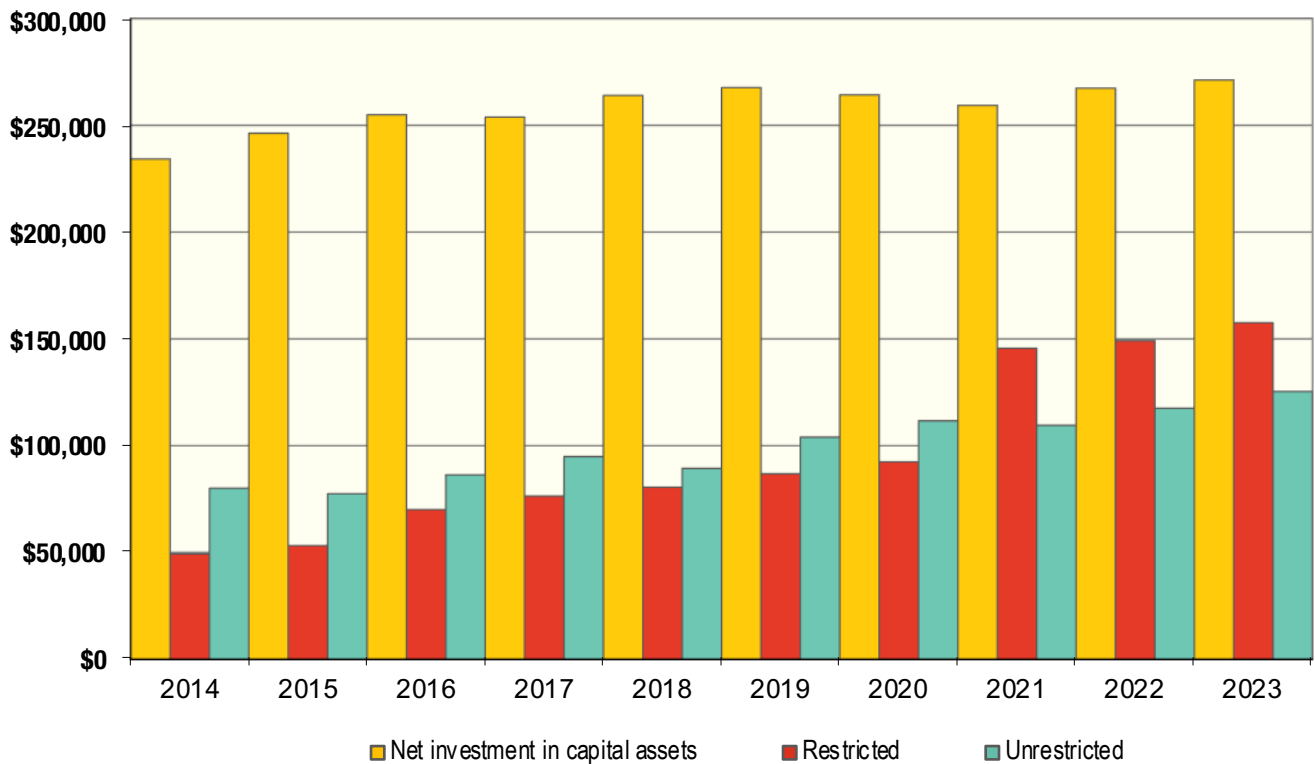
Fiscal Year Ending	Total	Personnel	Materials	Contract Services/CIP	Other	Depreciation	Interest
2014	62,264,504	16,929,786	13,532,408	17,983,580	448,169	10,900,456	2,470,105
2015	58,603,008	16,979,110	11,017,393	16,312,937	650,624	11,280,429	2,362,515
2016	57,685,170	16,894,081	12,404,304	14,363,125	487,478	11,607,463	1,928,719
2017	70,988,042	20,186,984	16,271,615	20,729,632	477,539	11,404,287	1,917,985
2018	72,490,743	20,754,356	18,414,001	19,910,203	407,162	11,293,079	1,711,942
2019	74,997,656	21,650,770	18,419,851	21,540,241	377,898	11,541,721	1,467,175
2020	84,838,939	21,750,589	20,628,632	28,308,098	970,545	11,727,255	1,453,820
2021	74,112,213	23,304,574	21,619,639	18,043,734	725,631	8,980,372	1,438,263
2022	72,069,615	19,174,834	21,719,949	19,944,581	728,021	9,086,272	1,415,958
2023	86,936,548	27,216,437	23,840,406	25,440,305	229,888	8,817,221	1,392,291

## FINANCIAL TRENDS

### NET POSITION BY COMPONENT

Last Ten Fiscal Years

(Accrual basis of accounting, amounts expressed in thousands)

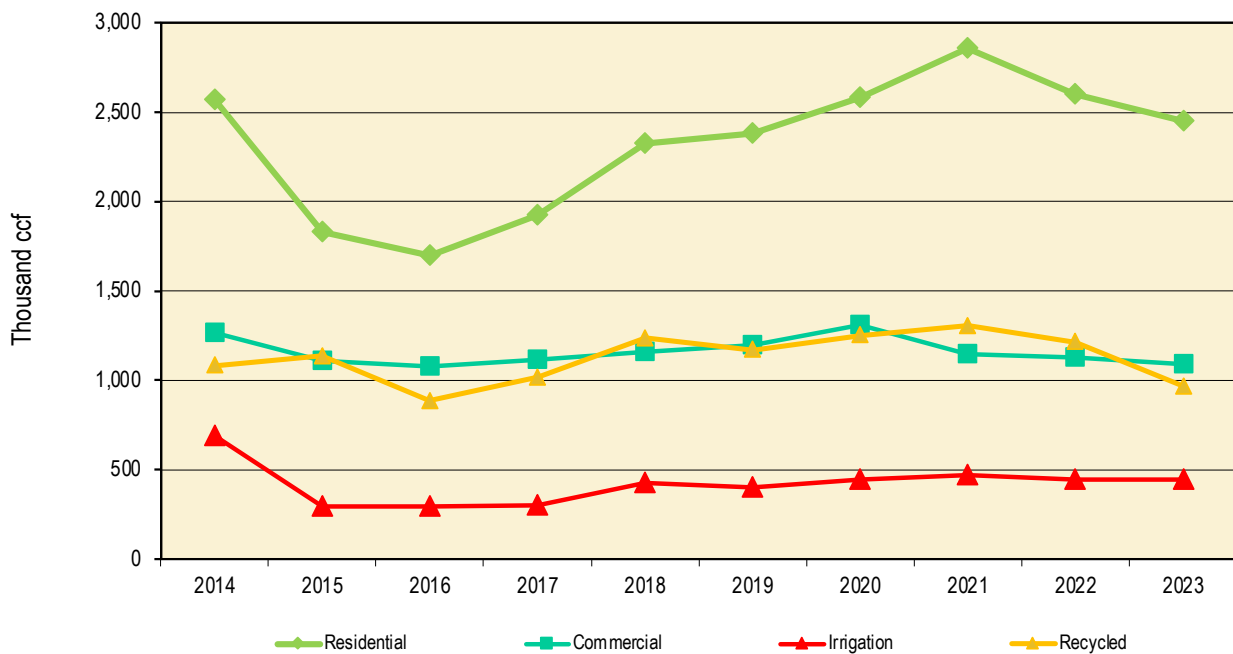


Business-type Activities	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Net investment in capital assets	\$234,213	\$246,295	\$254,961	\$253,841	\$264,020	\$267,682	264,272	259,331	267,361	271,185
Restricted	49,300	53,210	70,100	76,395	80,572	86,846	92,440	145,597	149,135	157,560
Unrestricted	80,089	77,530	86,331	94,910	89,357	103,978	111,635	109,530	117,534	125,337
Total net position	\$363,602	\$377,035	\$411,392	\$425,145	\$433,949	\$458,505	\$468,347	\$514,458	\$534,029	\$554,082

Source: Dublin San Ramon Services District

**WATER SOLD BY TYPE OF CUSTOMER**

Last Ten Fiscal Years (amounts in thousand ccf)



Fiscal Year Ending	Type of Customer				Total
	Residential	Commercial	Irrigation	Recycled	
2014	2,569	1,267	689	1,082	5,607
2015	1,831	1,106	295	1,136	4,368
2016	1,695	1,080	294	886	3,955
2017	1,921	1,118	298	1,018	4,355
2018	2,327	1,156	424	1,235	5,142
2019	2,384	1,197	400	1,170	5,151
2020	2,580	1,307	446	1,250	5,583
2021	2,859	1,147	470	1,304	5,780
2022	2,602	1,127	447	1,213	5,389
2023	2,453	1,090	447	967	4,957

Source: Dublin San Ramon Services District. Eden Database work file.

**PRINCIPAL CUSTOMERS**

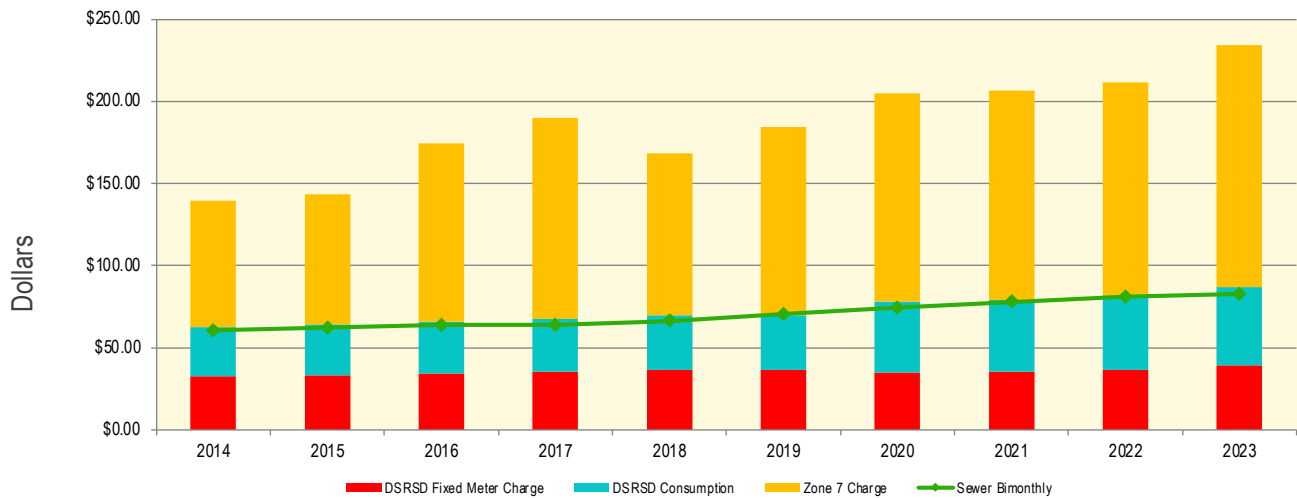
Last Ten Fiscal Years

Customer	2014			2023		
	Annual Billing	Rank	% of Total Annual Billings	Annual Billing	Rank	% of Total Annual Billings
City of Pleasanton	\$9,251,255	1	20.2%	\$10,908,153	1	16.936%
County of Alameda (Santa Rita Jail)	1,419,000	3	3.1%	2,095,858	2	3.254%
City of San Ramon	1,510,170	2	3.3%	1,746,797	3	2.712%
City of Dublin	1,188,671	5	2.6%	1,507,658	4	2.341%
Federal Correctional Institution (FCI)	1,351,448	4	3.0%	1,130,620	5	1.755%
Dublin Ranch Golf Course	558,025	7	1.2%	627,053	6	0.974%
Dublin Unified School District	591,933	6	1.3%	578,542	7	0.898%
Avalon Bay Communities Inc	235,092		0.0%	469,273	8	0.729%
USAG CSTC	235,092	9	0.5%	422,950	9	0.657%
San Ramon Unified School District	385,438	8	0.8%	322,191	10	0.500%
Amador Lakes Apartments	224,192	10	0.5%	306,502	11	0.476%
All Others	29,049,248		63.5%	44,294,024 <sup>1</sup>		68.8%
Total	\$45,764,472		100.0%	\$64,409,621		100.0%

1 Customers included in 'All Others' when listed individually make up less than 0.5% of total annual billings.

**WATER AND SEWER RATES**

Last Ten Fiscal Years



Water Bimonthly <sup>1</sup>						Sewer Bimonthly
YEAR	DSRSD Fixed Meter Charge	DSRSD Consumption	Zone 7 Charge	33 CCF*	Total Water	Base Rate
2014	32.56	29.94	76.89	\$106.83	139.39	60.42
2015	33.54	30.83	79.20	\$110.03	143.57	62.16
2016	34.31	31.39	108.57 <sup>1</sup>	\$139.96	174.27	63.73
2017	35.23	32.18	122.76 <sup>2</sup>	\$154.94	190.17	63.73
2018	36.45	33.30	98.67 <sup>3</sup>	\$131.97	168.42	66.23
2019	36.45	33.30	114.84	\$148.14	184.59	70.58
2020	35.16	42.90	127.05 <sup>4</sup>	\$169.95	205.11	74.48
2021	35.73	43.56	127.05	\$170.61	206.34	78.10
2022	36.86	44.88	130.02	\$174.90	211.76	81.00
2023	39.37	47.85	146.85	\$194.70	234.07	82.62

**Notes:** Water rates are based on a 5/8" meter, which is the standard size for residences. The average water usage for residential customers varies year to year; 33 ccf is used for historical comparisons only. Bills are calculated based on normal conditions.

- 1 In calendar year 2016, Zone 7 changed from four tier rate to single tier rate and added \$0.57/ccf Temporary Conservation Surcharge.
- 2 In calendar year 2017, Zone 7 restructured rates to include a fixed charge and a volume-based rate and maintained the \$0.57/ccf Temporary Conservation Surcharge.
- 3 In calendar year 2018, Zone 7 rates included a fixed charge and a volume-based rate and removed the \$0.57/ccf Temporary Conservation Surcharge.
- 4 In calendar year 2020, volumetric rate structure changed from tiered-rates to uniform rates.

**Source:** Dublin San Ramon Services District

## DEBT CAPACITY

### PLEDGED REVENUE COVERAGE

Last Ten Fiscal Years

Fiscal Year Ending	1997 Revenue Refunding Bonds	2009 Sewer Refunding Bonds	2011 Water Bonds	2011 LAVWMA Obligation	2017 Water Refunding Bonds <sup>1</sup>
2014		7.40	3.33	5.51	
2015			4.83	7.23	
2016			7.20	7.50	
2017			4.48	7.00	
2018				9.20	9.50 <sup>2</sup>
2019				12.20	9.27
2020				10.30	5.51
2021				6.7	5.10
2022					6.54
2023					5.92

**Note:** Details regarding current outstanding debt can be found in the notes to the financial statements.

<sup>1</sup> Net revenues include capacity reserve fees

<sup>2</sup> Updated to reflect fiscal year ending 2018 actual instead of estimates from final Official Statement dated December 13, 2017

### OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

Fiscal Year Ending	Business-Type Activities						Estimated Population Served	Debt per Capita
	Water Reuse Revenue Bonds	Sewer Refunding Bonds	2011 Water Bonds	Water Refunding Bonds	2011 LAVWMA Obligation	Total		
2014		11,135,590	35,360,000		38,055,942	84,551,532	159,000	532
2015			35,090,000		36,700,412	71,790,412	171,000	420
2016			34,810,000		35,276,816	70,086,816	173,000	405
2017			34,520,000		33,779,317	68,299,317	178,000	384
2018				33,590,000	32,204,024	65,794,024	186,000	354
2019				33,180,000	30,548,995	63,728,995	188,000	339
2020				32,760,000	28,808,396	61,568,396	187,900	328
2021				32,325,000	(28,808,396)	3,516,604	187,500	19
2022				31,870,000		31,870,000	196,000	163
2023				31,395,000		31,395,000	192,900	163

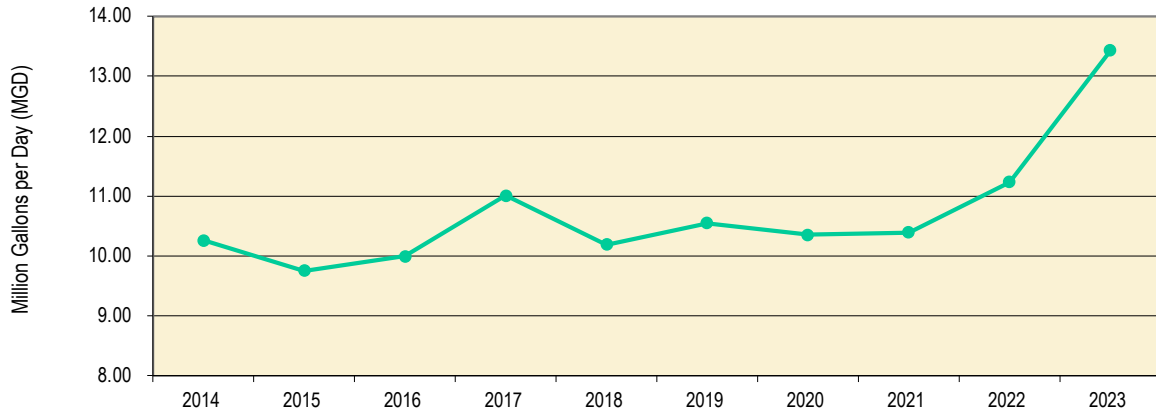
**Note:** Debt amounts exclude any premiums, discounts, or other amortization amounts

**Sources:** Dublin San Ramon Services District audited financial statements



**WASTEWATER AVERAGE DAILY EFFLUENT FLOW**

Last Ten Fiscal Years

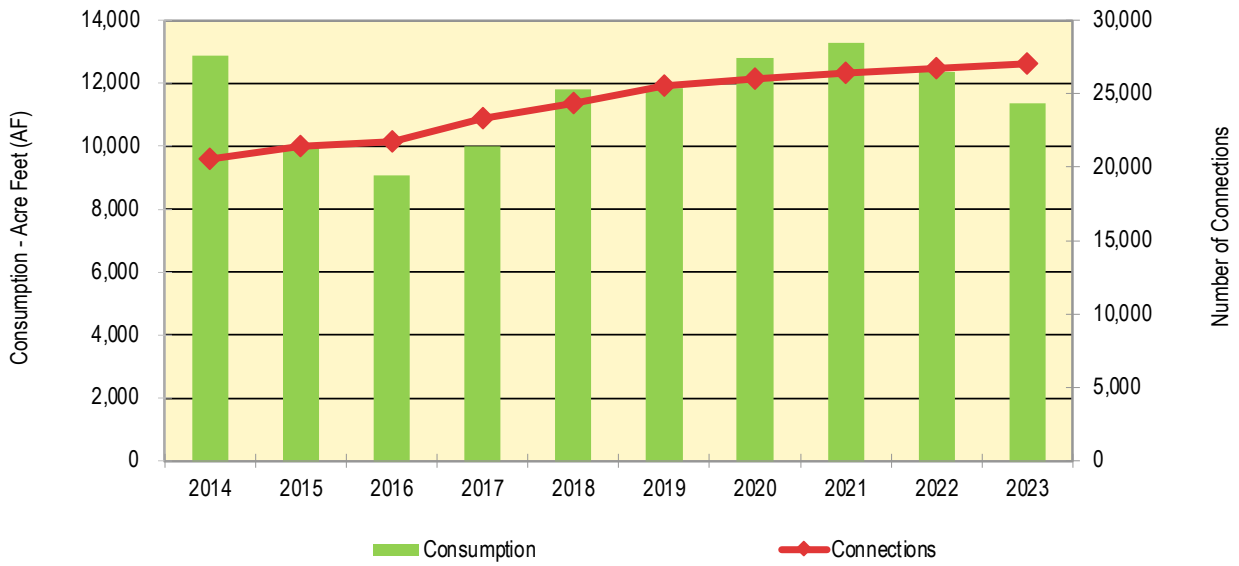


Fiscal Year Ending	Wastewater Avg. Daily Flow (MGD)	Wastewater Total Annual Flow (MG)
2014	10.26	3,745
2015	9.75	3,547
2016	9.99	3,646
2017	11.01	4,019
2018	10.19	3,719
2019	10.55	3,852
2020	10.35	3,777
2021	10.39	3,792
2022	11.23	4,100
2023	13.43	4,902

Source: Dublin San Ramon Services District

**WATER CONSUMPTION AND CONNECTIONS**

Last Ten Fiscal Years



Fiscal Year Ending	Water (AF) Consumption	Number of Connections
2014	12,873	20,532
2015	10,027	21,434
2016	9,079	21,722
2017	9,998	23,324
2018	11,804	24,324
2019	11,825	25,521
2020	12,817	26,044
2021	13,269	26,396
2022	12,371	26,710
2023	11,379	27,013

**Source:** Dublin San Ramon Services District (includes potable and recycled water)

**FULL-TIME AUTHORIZED EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM**

Last Ten Fiscal Years

Function/Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Office of the General Manager	5.00	5.00	5.00	5.00	5.00	5.00	2.00	2.00	2.00	2.00
Executive Services							4.00	3.00	3.00	3.00
Administrative Services	2.00	2.00	1.50	1.50	1.50	1.00	1.00	2.00	2.00	2.00
Organizational Services	4.50	4.50								
Human Resources & Risk Mgmt.			4.50	4.50	4.50	4.50	4.50	5.00	5.00	5.00
Public Affairs	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.40	3.40	3.40
Safety	2.00	2.00	2.00	2.00	2.00	2.00	2.00			
Financial Services	5.00	5.00	4.00	4.00	5.00	5.00	5.00	6.00	6.00	6.00
Utility Billing & Customer Services	8.00	8.00	8.00	8.00	8.00	8.00	8.00	7.00	7.00	7.00
Information Technology Services	5.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Engineering Services	22.00	22.00	22.50	21.50	20.50	23.00	23.00	2.60	2.60	2.60
Capital Projects								8.00	8.00	8.00
Development & Construction Services								7.00	7.00	7.00
Planning & Asset Mgmt.								5.00	5.00	5.00
Operations Administration	5.00	5.00	5.00	5.00	6.00	2.00	3.00	1.00	1.00	1.00
Field Operations	11.00	11.00	12.00	12.00	16.00	16.00	17.00	16.00	17.00	17.00
Plant Operations	12.00	12.00	12.00	12.00	12.00	13.00	14.00	13.00	14.00	14.00
Mechanical Maintenance								16.00	16.00	16.00
Instrumentation, Controls & Electrical								10.00	10.00	10.00
Laboratory & Technical Services								8.00	8.00	8.00
Operation Support Services	22.00	22.00	22.00	23.00	25.00	26.00	27.00	7.00	8.00	8.00
<b>Total <sup>1</sup></b>	<b>107.00</b>	<b>108.00</b>	<b>108.00</b>	<b>108.00</b>	<b>115.00</b>	<b>115.00</b>	<b>120.00</b>	<b>128.00</b>	<b>131.00</b>	<b>131.00</b>
Retirees <sup>2</sup>	67.00	69.00	74.00	74.00	84.00	84.00	95.00	95.00	100.00	113.00

Source: <sup>1</sup> Dublin San Ramon Services District Operating Budget

<sup>2</sup> Retirees with medical or dental benefit coverage

**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM**

Last Ten Fiscal Years

Function/Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Water</b>										
Miles of potable water mains	305.1	307.0	307.8	319.0	321.0	331.0	334.0	338.0	341.0	343.0
Miles of recycled water mains	61.1	62.0	63.7	66.7	68.0	69.0	72.0	72.0	72.0	76.0
Number of potable water reservoirs	14.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0
Storage capacity potable water (million gallons)	27.1	27.1	27.1	27.1	27.1	27.1	27.1	27.1	27.1	27.1
Number of recycled water reservoirs	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Storage capacity recycled water (million gallons)	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
<b>Wastewater</b>										
Miles of sanitary sewers	205.0	205.0	206.0	207.0	207.0	219.0	220.0	222.0	225.0	226.0
Number of treatment plants	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Treatment capacity (million gallons per day)	17.0	17.0	17.0	17.0	17.0	17.0	17.0	17.0	17.0	17.0

Source: Dublin San Ramon Services District

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**Dublin San Ramon  
Services District**

*Water, wastewater, recycled water*

7051 Dublin Boulevard, Dublin, CA 94568 | (925) 828-0515 | [www.dsrsd.com](http://www.dsrsd.com)

**DUBLIN SAN RAMON SERVICES DISTRICT**  
**MEMORANDUM ON INTERNAL CONTROL AND**  
**REQUIRED COMMUNICATIONS**  
**FOR THE YEAR ENDED**  
**JUNE 30, 2023**

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**DUBLIN SAN RAMON SERVICES DISTRICT**  
**MEMORANDUM ON INTERNAL CONTROL AND**  
**REQUIRED COMMUNICATIONS**

**For the Year Ended June 30, 2023**

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## MEMORANDUM ON INTERNAL CONTROL

Board of Directors  
Dublin San Ramon Services District  
Dublin, California

In planning and performing our audit of the basic financial statements of the Dublin San Ramon Services District (District), California, as of and for the year ended June 30, 2023, in accordance with auditing standards generally accepted in the United States of America, we considered the District's internal control over financial reporting (internal control) as a basis for designing our auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. Given these limitations during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Included in the Schedule of Other Matters are recommendations not meeting the above definitions that we believe are opportunities for strengthening internal controls and operating efficiency.

Management's written responses included in this report have not been subjected to the audit procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

This communication is intended solely for the information and use of management, Board of Directors, others within the organization, and agencies and pass-through entities requiring compliance with *Government Auditing Standards*, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in blue ink that reads 'Maze & Associates' in a cursive, flowing script.

Pleasant Hill, California  
December 12, 2023

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## MEMORANDUM ON INTERNAL CONTROL

### SCHEDULE OF OTHER MATTERS

#### 2023-01: Bank Reconciliation and Utility Billing Reconciliation Timeliness

**Criteria:** To be an effective control, bank reconciliations, utility billing reconciliations and the associated review should be complete in their entirety as soon as reasonably possible after each month-end, usually within thirty to forty-five days after receipt of the monthly bank statement date.

**Condition:** During our interim audit, we reviewed the December 2022 and February 2023 bank reconciliations and noted that the reconciliations for the Concentration Account were prepared and reviewed on June 6, 2023 and June 7, 2023, respectively. We also reviewed the December 2022 and February 2023 Utility Billing reconciliations and noted that they were completed on May 25, 2023.

**Cause:** We noted that the delays in reconciliations were due to the District's system conversion from Tyler Eden to Tyler Munis and significant staff turnover during the fiscal year.

**Effect:** By not completing and reviewing the bank reconciliations and utility billing reconciliations timely, accounting errors, misstatements and/or unauthorized activities may not be identified or corrected in a timely manner.

**Recommendation:** We recommend that the District implement procedures to ensure the timely preparation and review of bank reconciliations and utility billing reconciliations.

**Management's Response:** Management concurs and anticipates timely preparation and review of bank reconciliations and utility billing reconciliations when key finance positions are filled. The Accountant position is scheduled to be filled in January 2024.

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## REQUIRED COMMUNICATIONS

To the Board of Directors of  
Dublin San Ramon Services District  
Dublin, California

We have audited the basic financial statements of the Dublin San Ramon Services District (District) for the year ended June 30, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 30, 2023. Professional standards also require that we communicate to you the following information related to our audit.

### **Significant Audit Matters**

#### ***Qualitative Aspects of Accounting Practices***

*Accounting Policies* – Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year, except as follows. The following pronouncements became effective, but did not have a material effect on the financial statements:

- GASB 91 – *Conduit Debt Obligations***
- GASB 94 – *Public-Private and Public-Public Partnerships and Availability Payment Arrangements***
- GASB 96 – *Subscription-Based Information Technology Arrangements***
- GASB 99 – *Omnibus 2022, paragraphs 11-25***

*Unusual Transactions, Controversial or Emerging Areas* – We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

*Accounting Estimates* – Accounting estimates are an integral part of the financial statements prepared by management and are based on management’s knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the District’s financial statements were:

*Estimated Net Pension Liabilities and Pension-Related Deferred Outflows and Inflows of Resources:* Management’s estimate of the net pension assets and liabilities and deferred outflows/inflows of resources are disclosed in Note 10 to the financial statements and are based on actuarial studies determined by a consultant, which are based on the experience of the District. We evaluated the key factors and assumptions used to develop the estimate and determined that it is reasonable in relation to the basic financial statements taken as a whole.

*Estimated Net Other Post-Employment Benefit Plan (OPEB) Liability (Asset) and OPEB-Related Deferred Outflows and Inflows of Resources:* Management's estimate of the net OPEB liability (asset) and deferred outflows/inflows of resources are disclosed in Note 11 to the financial statements and are based on actuarial studies determined by a consultant, which is based on the experience of the District. We evaluated the key factors and assumptions used to develop the estimate and determined that it is reasonable in relation to the basic financial statements taken as a whole.

*Estimated Fair Value of Investments:* As of June 30, 2023, the District held approximately \$229.6 million of cash and investments as measured by fair value as disclosed in Note 2 to the financial statements. Fair value is essentially market pricing in effect as of June 30, 2023. These fair values are not required to be adjusted for changes in general market conditions occurring subsequent to June 30, 2023.

*Estimate of Depreciation:* Management's estimate of the depreciation is based on useful lives determined by management. These lives have been determined by management based on the expected useful life of assets as disclosed in Note 1E to the financial statements. We evaluated the key factors and assumptions used to develop the depreciation estimate and determined that it is reasonable in relation to the basic financial statements taken as a whole.

*Disclosures* – The financial statement disclosures are neutral, consistent, and clear.

#### ***Difficulties Encountered in Performing the Audit***

We encountered no significant difficulties in dealing with management in performing and completing our audit.

#### ***Corrected and Uncorrected Misstatements***

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. We did not propose any audit adjustments that, in our judgement, could have a significant effect, either individually or in the aggregate, on the District's financial reporting process.

Professional standards require us to accumulate all known and likely uncorrected misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. We have no such misstatements to report to the Board of Directors.

#### ***Disagreements with Management***

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

#### ***Management Representations***

We have requested certain representations from management that are included in a management representation letter dated December 12, 2023.



### ***Management Consultations with Other Independent Accountants***

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### ***Other Audit Findings or Issues***

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

### **Other Matters**

We applied certain limited procedures to the required supplementary information that accompanies and supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the required supplementary information and do not express an opinion or provide any assurance on the required supplementary information.

We were engaged to report on the supplementary information that accompanies the financial statements, but is not required supplementary information. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the Introductory and Statistical Sections which accompany the financial statements, but are not required supplementary information. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

\*\*\*\*\*

This information is intended solely for the use of Board of Directors and management and is not intended to be, and should not be, used by anyone other than these specified parties.

*Maze & Associates*

Pleasant Hill, California  
December 12, 2023

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**TITLE:** Receive Presentation on Preliminary 2024 Water Rates

**RECOMMENDATION:**

Staff recommends the Board of Directors receive a presentation on the preliminary 2024 water rates and direct staff to proceed with finalizing the 2024 Water Cost of Service Study with the policy objectives of establishing a wholesale fixed charge to collect 30 percent of the Zone 7 Water Agency fixed costs and continue the practice of collecting 20 percent of the District’s retail revenue requirement through fixed charges and 80 percent through variable consumption charges.

**DISCUSSION:**

The District provides potable and recycled water service to customers in the City of Dublin and the Dougherty Valley area of the City of San Ramon. The cost of distributing water to individual customers is reflected in the District’s “retail rate.” The retail rate consists of two types of water charges: fixed service charge and variable consumption charge. A fixed service charge is a fixed amount charged to each customer based on meter size. A variable consumption charge is based on water demand and is charged per hundred cubic feet of water used. The District purchases all of its potable water supplies from Zone 7 Water Agency (Zone 7), the Tri-Valley’s wholesale water supplier. Zone 7 charges the District a “wholesale rate” for purchasing treated water, comprised of fixed and variable charges.

DSRSD conducts water rate studies approximately every five years with the objective of developing cost-based rates that meet the District’s operation and maintenance needs and fund water capital asset replacements. Water rates were last updated in July 2019. Staff has begun a 2024 Water Cost of Service Study (Study) to review cost of service and revenue requirements for the water enterprise. In an effort to engage the Board early in the process of developing the Study, staff provided a presentation on water rates at the September 19 and October 17 Board meetings and requested direction from the Board on water rate policy issues.

The first policy issue was related to the structure of the wholesale water rate. Staff sought Board direction on the concept of establishing a separate fixed charge for the Zone 7 wholesale cost of water. This approach, a shift from the current methodology of blending the fixed and variable wholesale charges from Zone 7, was presented as an option to mitigate the potential financial risk if actual water sales are less than projected and DSRSD collects insufficient revenues to fully pay the Zone 7 fixed charge. Blending the Zone 7 fixed and variable charges minimizes the impact on low consumption customers because it allows a greater percentage of their bill to be controlled based on water usage.

The second policy issue was related to the ratio between fixed and variable revenues for the District’s retail water rate. The District’s current water charges for DSRSD’s retail rate generate approximately 20 percent of the total rate revenues from fixed charges and the remaining 80 percent from variable charges. Collecting a higher percentage of revenue requirements through fixed charges provides greater revenue stability during periods of lower demand. However, higher fixed charge allocations impact lower usage customers because fixed charges represent a greater proportion of their overall water bill.

On October 17, the Board directed staff to evaluate establishing a separate fixed and variable wholesale rate and reallocating DSRSD retail costs between fixed and variable charges at a maximum ratio of 30 percent fixed and 70 percent variable as part of the Study. This approach was in acknowledgement of the challenge the Board faced in deciding on the policy issues without the benefit of seeing an updated cost of service analysis and preliminary water rates. These concepts have been incorporated into several draft rate scenarios, which staff will present on December 19. Staff recommends the Board receive the presentation and direct staff to proceed with finalizing the Study which incorporates the Board’s selected policy objectives related to wholesale and retail water rates.

<b>Originating Department:</b> Office of the General Manager	<b>Contact:</b> C. Ferreyra/D. McIntyre	<b>Legal Review:</b> Not Required
<b>Financial Review:</b> Yes	<b>Cost and Funding Source:</b> N/A	
<b>Attachments:</b> <input checked="" type="checkbox"/> None <input type="checkbox"/> Resolution <input type="checkbox"/> Ordinance <input type="checkbox"/> Task Order <input type="checkbox"/> Proclamation <input type="checkbox"/> Other (see list on right)		139 of 139